FINANCIAL TIMES

FRIDAY 9 DECEMBER 2022 | INTERNATIONAL NEWSPAPER OF THE YEAR | EUROPE

Italy bends rules to revive Monte dei Paschi
BIG READ, PAGE 17

AI tool is smart enough to know its own flaws
JOHN THORNHILL, PAGE 19

Wirecard case
Braun in dock as trial begins

Former Wirecard boss Markus Braun sits in a Munich courtroom yesterday for the start of his long-awaited trial on charges of fraud, embezzlement, accounting and market manipulation at the German payments group.

Prosecutors read out 89 pages of charges against Braun and two other former Wirecard managers, accusing them of running a "criminal racket".

Wirecard, which at its peak was worth more than €24bn, collapsed into insolvency after disclosing that €1.9bn in corporate cash did not exist.

Jan Marsalek, Wirecard's former second-in-command, was not in the dock as he has been on the run since June 2020, with German law enforcement officials suspecting he is hiding in Russia.

The trial is expected to run well into 2024.

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Christof Stache/AFP

Briefing

▸ Brussels VAT shake-up to stamp out tax fraud
The EU has said member states could collect up to €18bn more a year under sweeping reforms designed to curb one of Europe's most costly tax frauds.— PAGE 2

▸ Xi hails new ties with Gulf
China's president has announced a "new era" after meeting crown prince Mohammed bin Salman in Riyadh and signing technology and energy agreements.— PAGE 4

▸ China short of medicine
Health workers have told the FT that Beijing is running out of supplies as it combats a rapidly spreading Covid outbreak, just as restrictions are lifted.— PAGE 4

▸ Trafigura gives out $1.7bn
The Swiss-based commodities group has reported net profit of $7bn and will make a bumper payment to its top traders and shareholders.— PAGE 6

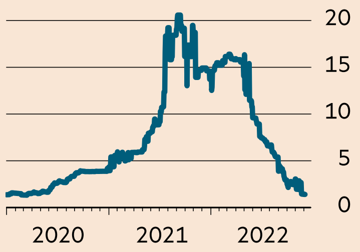
▸ Turkey gets tanker blame
Western officials have blamed Ankara for the Black Sea crude cargo chaos, saying there was no reason to block ships since their oil is from Kazakhstan.— PAGE 2

▸ UK group in EU law alert
Packing company DS Smith has warned against a planned bonfire of EU law by London. It is to close an English plant and expand on the continent.— PAGE 8

Datawatch

Sea change

Container prices from China to the US west coast ($'000)



Source: Refinitiv

It cost more than $14,000 to ship a container from China to the US west coast in December 2021, but the price is now a tenth of that, at $1,403. The fall is fuelled by fewer factory orders from China, which are down 40 per cent on the year

ExxonMobil swells buybacks to $50bn despite rebuke over war-fuelled profits

● Price surge boosts earnings ● Spending rise resisted ● Investors reap benefit ● Biden voices alarm

JUSTIN JACOBS — HOUSTON

ExxonMobil is expanding its share buyback programme to $50bn as the US supermajor defies a political backlash by handing investors the profits from surging oil and gas prices that have fuelled a global cost of living crisis.

Exxon said it would spend $50bn in the three years to 2024 buying back its own shares, an increase from a $30bn programme due to end next year.

Oil earnings have surged this year since Russia's invasion of Ukraine sent global crude and natural gas prices soaring. Producers have used that windfall to shower cash on shareholders after years of disappointing returns.

US president Joe Biden has criticised Exxon and other oil companies, telling them in October they "should not be using profits to buy back stock or for dividends . . . while a war is raging".

But the expanded share buyback programme continues Exxon's focus on funnelling the proceeds from elevated prices back to investors, rather than spending profits on new drilling.

The strategy has made Exxon among the market's top performers this year, with shares up more than 60 per cent even as the broader S&P 500 has fallen.

> Oil majors 'should not be using profits to buy back stock while a war is raging'
> Joe Biden

"The results we've seen to date demonstrate that we're on the right course," said Darren Woods, Exxon's chief executive.

The company will also spend between $23bn and $25bn on energy projects next year, up from about $22bn this year. Exxon has raised its spending on low-carbon projects to $17bn from now until 2027, up from $15bn. The projects will focus on carbon capture and storage, as well as biofuels and hydrogen.

But the Texas-based oil producer is keeping its annual expected spending range at between $20bn and $25bn over the next five years, resisting big spending rises when oil and gas prices surge, as the industry has done in the past.

Exxon's rival Chevron said it would increase its spending by 25 per cent next year to about $17bn, including $2bn on its lower-carbon business.

Both companies' spending plans remain far below what they had signalled before the pandemic, which inflicted huge financial losses on the industry. Exxon said in 2019 that it planned to spend $30bn to $35bn a year on its business while Chevron had planned annual spending of roughly $19bn to $22bn.

The bulk of Exxon's spending will go towards oil and gas projects in the Permian shale basin in the US, deepwater projects in Guyana and Brazil, and new liquefied natural gas ventures.

The company said it would increase total output by 14 per cent from 3.7mn barrels of oil equivalent a day this year to 4.2mn boe/d by 2027.

The increase in spending is being made as oil prices have retrenched in recent weeks over fears that an economic slowdown will sap global energy demand. Brent crude was trading at about $78 per barrel yesterday, down 20 per cent over the past month and roughly level with where it opened the year, a big reversal after reaching near-record highs a few months ago.

Trading houses have also been among the biggest beneficiaries of an energy crisis that has roiled the world economy. Trafigura said yesterday its top traders and shareholders would share $1.7bn after its net profit more than doubled from already record levels last year.

Trafigura payout page 6
Shell unit sought support page 8
US investors buy supermajors page 10
Lex page 20

Peru plunged into chaos after president's ousting

Analysis ▸ PAGE 3

Russia frees US basketball star Griner in 'merchant of death' prisoner swap

FELICIA SCHWARTZ — WASHINGTON
POLINA IVANOVA — BERLIN

US basketball star Brittney Griner has been freed in a prisoner swap with Viktor Bout, an imprisoned Russian arms dealer who was serving a 25-year sentence in the US.

Speaking alongside Griner's wife at the Oval Office, US president Joe Biden said the WNBA player would arrive back in the US today.

"She's safe. She's on a plane. She's on her way home after months of being unjustly detained in Russia, held in intolerable circumstances," Biden said.

A visibly jubilant Cherelle Griner said her wife's imprisonment had been "one of the darkest moments of my life". She thanked the Biden administration for its assistance in bringing her home.

Griner was arrested at a Russian airport in February for carrying vaping cartridges containing hashish oil. She was sentenced to nine years in prison.

Bout, whose nickname is the "merchant of death", is a notorious arms dealer whose exploits inspired the 2005 film *Lord of War*. He had been convicted for conspiring to kill US citizens and providing aid to a terrorist organisation.

American officials had been working for months to secure Griner's release. They had made a "substantial offer" to swap Bout for Griner and Paul Whelan, a former US Marine who has been in Russian custody since 2018. Those talks stalled as Russia also demanded the release of Vadim Krasikov, a former colonel from Russia's domestic spy agency convicted of murder in Germany last year.

In recent weeks, however, the discussions had focused on a one-for-one trade. Administration officials said they briefed Whelan's family on the swap of Griner for Bout, and that a senior US official also discussed the matter with Whelan, who remains imprisoned.

Saudi Arabia and the United Arab Emirates said that UAE president Sheikh Mohammed bin Zayed al-Nahyan and Saudi crown prince Mohammed bin Salman had led mediation efforts.

"In the course of getting to this happy result . . . we have and I am sure we will continue to lean on partners around the world to work this through with us," a senior US official said.

The Russian foreign ministry said the US had for a long time "categorically refused" to consider exchanging Bout. "Nevertheless, the Russian Federation continued to work actively to secure the release of our compatriot," it said.

Austria	€4.30	Morocco	Dh50
Bahrain	Din1.8	Netherlands	€4.30
Belgium	€4.30	Norway	NKr45
Croatia	Kn32/€4.25	Oman	OR1.60
Cyprus	€4.00	Pakistan	Rupee350
Czech Rep	Kc120	Poland	Zl 24
Denmark	DKr43	Portugal	€4.00
Egypt	E£80	Russia	€5.00
France	€4.30	Serbia	NewD530
Germany	€4.30	Slovenia	€4.00
Greece	€4.00	Spain	€4.00
Hungary	Ft1350	Switzerland	SFr6.50
India	Rup220	Tunisia	Din7.50
Italy	€4.00	Turkey	TL50
Luxembourg	€4.30	UAE	Dh23
Malta	€4.00		

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World Markets

STOCK MARKETS

	Dec 8	Prev	%chg
S&P 500	3962.70	3933.92	0.73
Nasdaq Composite	11076.96	10958.55	1.08
Dow Jones Ind	33820.51	33597.92	0.66
FTSEurofirst 300	1721.34	1723.75	-0.14
Euro Stoxx 50	3922.69	3920.90	0.05
FTSE 100	7472.17	7489.19	-0.23
FTSE All-Share	4082.24	4093.68	-0.28
CAC 40	6647.31	6660.59	-0.20
Xetra Dax	14234.13	14261.19	-0.19
Nikkei	27574.43	27686.40	-0.40
Hang Seng	19450.23	18814.82	3.38
MSCI World $	2654.34	2662.07	-0.29
MSCI EM $	958.77	972.93	-1.45
MSCI ACWI $	616.22	618.82	-0.42
FT Wilshire 2500	5101.53	5111.97	-0.20
FT Wilshire 5000	39833.97	39919.06	-0.21

CURRENCIES

Pair	Dec 8	Prev	Pair	Dec 8	Prev
$/€	1.055	1.050	€/$	0.948	0.952
$/£	1.222	1.220	£/$	0.818	0.820
£/€	0.863	0.861	€/£	1.159	1.161
¥/$	136.495	136.705	¥/€	143.941	143.589
¥/£	166.777	166.705	£ index	79.525	79.756
SFr/€	0.987	0.986	SFr/£	1.144	1.145

CRYPTO

	Dec 8	Prev	%chg
Bitcoin ($)	16932.27	16893.01	0.23
Ethereum	1251.15	1231.08	1.63

COMMODITIES

	Dec 8	Prev	%chg
Oil WTI $	72.71	72.01	0.97
Oil Brent $	77.34	77.17	0.22
Gold $	1782.20	1773.80	0.47

GOVERNMENT BONDS

Yield (%)	Dec 8	Prev	Chg
US 2 yr	4.27	4.27	0.00
US 10 yr	3.47	3.46	0.01
US 30 yr	3.44	3.46	-0.02
UK 2 yr	3.35	3.28	0.07
UK 10 yr	3.09	3.04	0.05
UK 30 yr	3.51	3.45	0.07
JPN 2 yr	-0.01	-0.01	0.00
JPN 10 yr	0.25	0.25	0.00
JPN 30 yr	1.44	1.47	-0.03
GER 2 yr	2.04	2.00	0.04
GER 10 yr	1.81	1.78	0.03
GER 30 yr	1.63	1.64	0.00

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Tax clampdown

Brussels VAT revamp targets carousel fraud

European Commission says change will recoup up to €110bn over 10 years

MARY MCDOUGALL — LONDON

The EU has said member states could collect up to €18bn more a year in value added tax under sweeping reforms designed to curb one of the most costly tax frauds in Europe.

The European Commission said the new rules would require companies operating in multiple member states to comply with so-called real-time digital reporting standards, by immediately reporting cross-border transactions.

Doing so would help stamp out missing trader intra-community fraud, often described as carousel fraud. The fraud involves companies importing goods from another member state free of VAT, selling them with the VAT added and pocketing the difference.

The commission said the change would recoup up to €110bn over 10 years that would otherwise be lost to fraudsters. An additional €6.5bn a year would come from a requirement for platforms in the short-term accommodation and travel sectors, such as Airbnb and Uber, to collect and pay VAT on the full cost of all bookings.

The commission said the switch would "modernise and make the EU's [VAT] system work better for businesses and more resilient to fraud".

The proposals, which must be signed off by every member state at the Council of the European Union, are seen as likely to pass.

"There is zero chance of failure," said Richard Asquith, founder of VATCalc, a VAT compliance company, though he warned that business groups could lobby against some of the detail of the changes.

Switch will 'make the EU's [VAT] system work better for businesses and more resilient to fraud'

Implementation is expected to take place over the coming decade, according to Stephen Dale, president of the International VAT Association, which represents the interests of businesses and advisers involved in VAT.

VAT is the biggest revenue raiser of all the EU taxes. The total amount collected in 2020 was €1tn, according to figures from the commission this week. However, the commission put its VAT tax gap — the difference between tax owed and collected — at €93bn for the same year, with at least a quarter linked to fraud involving cross-border transactions within the bloc.

The reforms are the biggest modernisation of VAT in Europe since the establishment of the single market at the start of 1993, according to tax experts. "It's taking the EU into a new era," said Sarah Halstead, national technical officer for VAT at accounting firm RSM.

Last week, European prosecutors broke up a €2.2bn VAT fraud scheme, which took 18 months of inquiries in 14 member states to expose. The commission said it would have been "much easier" to catch if real-time information had been available to member states.

Dale said the plans would help EU countries to "more effectively" combat carousel fraud because they would give member states immediate access to data on cross-border transactions.

The commission claimed the measures would bring down costs for businesses by more than €4bn a year over the next 10 years. However, they come at an initial upfront cost of €11bn in accounting and IT upgrades to comply, according to EU estimates seen by the Financial Times, and an additional €2.2bn for tax administrations.

South Africa. Presidential crisis

ANC grassroots back Ramaphosa — for now

Despite sofa cash scandal, party fears losing its biggest electoral asset ahead of polls in 2024

JOSEPH COTTERILL — JOHANNESBURG

On the streets where Cyril Ramaphosa grew up in Johannesburg's largest township, Edward Twala voices his support for the South African president, under fire over a mysterious theft of cash from his private game farm.

"Of all the presidents I've seen since Nelson Mandela, I don't think that there has been anyone better than Cyril. He must stay," said the 56-year-old owner of a car repair shop in Soweto's Chiawelo area.

A report published last week accused Ramaphosa of abuse of power after the theft two years ago that he failed to report properly to authorities, triggering the biggest crisis yet for his five-year presidency.

After considering resignation, Ramaphosa is taking legal action to overturn the report that said he may have broken the law and cast doubt on his explanation that the cash came from a sale of buffalo to a Sudanese businessman.

Twala blames the scandal on a backlash in the ruling African National Congress party over the battle Ramaphosa has fought against corruption since he replaced Jacob Zuma. "They want to remove him because they know he is fighting them," he said. The president may have had $580,000 in cash stuffed inside a sofa on his Phala Phala reserve, but Twala said: "It is his own money."

His words reflect grassroots support for Ramaphosa and offer one reason why the president won the backing of the ANC ahead of a crucial vote on impeachment, next week's contest for party leader and 2024 elections the party is in danger of losing.

Analysts said the ANC fears losing its biggest electoral asset and a consensus-builder in a party riven by schism.

As a one-time protégé of Mandela, Ramaphosa is "the last of the figures that could unite the ANC", and none of his likeliest successors would have the immediate clout to keep the ANC's factions together, said William Gumede, executive chair of Democracy Works, a civic foundation.

Support: Cyril Ramaphosa, in Chiawelo, Soweto, three years ago, is a consensus-builder in a divided ANC. Below, his image on a voter's flag
Michele Spatari/AFP/Getty

Contenders to replace Ramaphosa also had their own motives to support him, analysts said. If Ramaphosa steps down because of the report, Zweli Mkhize, Ramaphosa's sole official rival in next week's leadership election, might also be pressed to step down, analysts said. A former health minister, he is under investigation over allegations his family benefited from a coronavirus-era public relations contract. He denies wrongdoing.

Paul Mashatile, ANC treasurer-general who is tipped as a future president, can still run for deputy and emerge as a frontrunner if Ramaphosa is forced to quit later.

As rivals bide their time, Ramaphosa's survival is now a hostage to fortune over further revelations about Phala Phala. South Africa has tight exchange controls that require the swift disclosure of foreign currency and there are questions over the source of the stolen money. Hazim Mustafa, the Sudanese buyer of the buffalo, told Sky News this week he declared the cash, a sum he said was "nothing for a businessman like me", at Johannesburg's airport in 2019. He declined to present any evidence, while confirming he is expecting a refund on the cattle, which were never delivered.

Last week's report concluded that an ongoing investigation by the South African Reserve Bank "suggests strongly it had no records of this money entering this country or being reported as having been received" by Ramaphosa.

"Based on the panel report, [the South African Reserve Bank] are going to have to fine him," said Peter Attard Montalto, head of capital markets research at consultants Intellidex.

"The SARB never gives permission to hold that size of dollar cash onshore. His story still does not add up, and we should not lose sight of that."

Further findings on Phala Phala could reignite the pressure. "That is the risk, and it is deeply unpredictable."

Ramaphosa's prevarication — at one stage he had drafted a resignation, only for his allies to convince him to pursue the matter in the courts — could yet cost him dearly.

"The man went Awol for four days . . . we are leaderless," Julius Malema, a former ANC politician and leader of the leftist Economic Freedom Fighters party, said this week. He also predicted that Ramaphosa has only gained a brief reprieve: "Once such a vacuum arises, we are going to be led by thugs."

'His story still does not add up, and we should not lose sight of that'

Chiawelo is a natural heartland for Ramaphosa, who rose from humble beginnings as a policeman's son through the ANC, then built his business as the economy opened up after apartheid.

The Chiawelo ANC branch joined thousands of others this year in nominating Ramaphosa for re-election as party leader. Many residents know him and his relatives personally.

Even Twala is unsure what the other investigations into Phala Phala might bring. But he worries more about the crime and blackouts that plague everyday township life. "We're scared in our own homes . . . we want an honest person" who can solve these problems as president, he pointed out.

Others too want the president to say more. "We need the president to come clean," said Gregory Masoleng, a jobless 54 year-old in Chiawelo. "How did the money come into South Africa? We need to know about that. No excuses."

Insurance rules

West blames Turkey for crude supply delays from Black Sea

TOM WILSON — LONDON
JAMES POLITI — WASHINGTON

Western officials have blamed Turkey for the disruption to crude shipments from the Black Sea, stressing there was no reason to block traffic through the Turkish straits.

At least 22 crude tankers have been stopped from crossing Turkish waters over fears in Ankara that the shipments might be uninsured due to rules that bar tankers transporting Russian crude from accessing European maritime insurance unless the oil is sold for $60 a barrel or less.

But two western officials said the vessels, most of which were loaded with oil from Kazakhstan not Russia, should be allowed to pass.

"It appears that all but one of the roughly 20 loaded crude tankers waiting to cross the straits are carrying Kazakh-origin oil," one western official involved in the price cap told the Financial Times. "These cargoes would not be subject to the price cap under any scenario, and there should be no change in the status of their insurance from Kazakh shipments in previous weeks or months."

Oil produced in Kazakhstan by companies including Chevron and ExxonMobil is exported via pipeline across Russia to ports on Russia's Black Sea coast, where it is loaded on to tankers for the journey through the Turkish straits to the Mediterranean. Its movement is not restricted under the west's Russian sanctions.

Turkey has said the G7 price cap has increased the risks of uninsured vessels in its waters and asked that all crude tankers crossing the Turkish straits prove they have valid insurance to cover incidents such as oil spills and collisions.

The International Group of P&I Clubs, which provides prevention and indemnity insurance to 90 per cent of the industry, has said it cannot comply. Turkey's request would require P&I Clubs to guarantee cover, even if it transpired that a vessel had violated sanctions, it says.

Western officials defended the price cap mechanism and argued Turkey's request for additional assurances from shippers was unnecessary, regardless of whether the cargo was Russian or Kazakh.

"The price cap policy does not require ships to seek unique insurance guarantees for each individual voyage, as required under Turkey's rule. These disruptions are the result of Turkey's rule, not the price cap policy," the official involved in the price cap said.

US deputy Treasury secretary Wally Adeyemo discussed the matter with Turkey deputy foreign minister Sedat Önal on Wednesday. "Both officials highlighted their shared interest in keeping global energy markets well-supplied by creating a simple compliance regime that would permit seaborne oil to transit the Turkish straits," the US Treasury said after the call.

The UK Treasury on Tuesday said the UK, US and EU were working closely with Turkish authorities to reach a resolution. "There is no reason for ships to be denied access to the Bosporus straits for environmental or health and safety concerns," it said.

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Nationwide demonstrations

Iran executes 23-year-old anti-government protester

NAJMEH BOZORGMEHR — TEHRAN

Iran has executed a 23-year-old man who was convicted of stabbing a security official and frightening people by blocking a street during the recent nationwide protests.

The Islamic republic has arrested thousands of people since the demonstrations began in September but Mohsen Shekari, who was hanged in the early hours yesterday, is the first person to be executed. It is unclear how many people remain in jail but at least 10 others are on death row, according to official media.

Shekari was arrested on September 25 in Sattarkhan, a middle-class neighbourhood in western Tehran. He was sentenced to death in a preliminary court last month after being convicted of *moharebeh,* or "fighting with God". The supreme court upheld the verdict, local media said.

Mizan, the judiciary's news agency, said yesterday that Shekari had "frightened" people by blocking a street and not allowing about 150 cars to pass while he allegedly used "cold weapons" — typically a reference to large knives — to force people to join the protests. He then allegedly stabbed a voluntary member of the Revolutionary Guard in the shoulder who tried to stop Shekari and reopen the street. The volunteer guard needed 13 stitches.

Shekari "confessed" that a man called Ali had promised to pay him money for attacking security forces, according to local media reports. The Islamic republic says the protests have been fuelled by outside forces including the US, Israel and Saudi Arabia.

The opposition had previously warned that executions would fuel more demonstrations. The hanging comes as protests have subsided. Despite an opposition call for strikes, most businesses stayed open.

The protests, the longest running yet in the Islamic republic, began in mid-September after Mahsa Amini, a 22-year-old Kurdish woman, died in police custody. Amini was arrested for failing to properly observe the official Islamic dress code.

Since then, about 200 people, including members of the security forces, have been killed during the protests, according to official figures. Amnesty International has put the number of deaths at 305, including 41 children.

While Iran has in practice, but not legally, relaxed its enforcement of the law on the compulsory Islamic covering for women, it has made no other concessions. Officials have instead vowed to bring those behind the protests to justice.

In a sign of how little it is prepared to compromise, Iran has sentenced five men to death for killing one voluntary member of the guard, Ruhollah Ajamian, in the city of Karaj, west of the capital Tehran, while 11 defendants, including three minors, have been sentenced to long jail sentences.

Death sentence: a tweet showing Mohsen Shekari on a mobile phone

Masoud Setayeshi, Iran's judiciary spokesman, said this week that "the judiciary will not make any concessions on the lives of 200 citizens" lost because of "provocations" by the opposition. "The trials of defendants will be held quickly, carefully and seriously, and those who have committed crimes will face punishment," he added.

Reaction in Tehran to the execution has ranged from shock to anger and bewilderment. Hossein Ronaghi, a political prisoner who has been granted temporary release on health grounds, said in a post on Twitter that "the pain of such wounds are felt by the whole Iran, outraging all Iranian people".

He added: "We will not close our eyes to executions. Hanging each protester will have serious consequences for you. Taking one's life is taking the lives of all of us. You can erect execution poles for all of us."

Shiva, a housewife, said she was "shocked" because "this man had not even killed anyone". She added that "this is very frightening and I imagine the message is that of intimidation".

Peru thrown into political crisis after lawmakers oust president

Castillo removed for attempting to shut Congress and is replaced with deputy

‘Thirty years [after a similar move], we doubt that the military will want blood on its hands for this’

New wave: President Dina Boluarte, who has replaced Pedro Castillo, above, in Lima yesterday
Martin Mejia/AP

JOE PARKIN DANIELS — LIMA

The ousting of Peru president Pedro Castillo by lawmakers after trying to shut down Congress before a vote on his impeachment has sparked a political crisis that has simmered for some time.

Dina Boluarte, Castillo’s vice-president who was sworn in as Peru’s first female president on Wednesday after the removal, said: “There has been an attempted coup d’état.”

Castillo was taken into custody at Lima’s town hall and accused of “rebellion”, the office of the public prosecutor said. “We condemn the breach of constitutional order,” it added. “No authority can place itself above the constitution.”

Earlier on Wednesday, hours before lawmakers were to begin debating whether to impeach Castillo on grounds of “moral incapacity”, the president made a televised speech declaring Congress dissolved. “We took the decision to establish a state of emergency,” he said.

But what political opponents described as a coup fizzled out almost immediately, as it became clear that the army, the police and Castillo’s own cabinet were not prepared to support him.

‘We condemn the breach of constitutional order. No authority can place itself above the constitution’

Mexican president Andrés Manuel López Obrador said yesterday Castillo had called him on Wednesday to say he was going to Lima’s Mexican embassy to request asylum. A court hearing into the circumstances that led to his arrest was to take place yesterday. Boluarte said yesterday it might be “democratically respectable” to hold early elections.

Shortly after Castillo’s attempt to dissolve Congress, lawmakers voted overwhelmingly to remove him from office. The president of Peru’s constitutional court said in a live broadcast that Castillo was attempting a “coup”.

The armed forces and police distanced themselves from Castillo. In a joint statement, they said the president was able to dissolve Congress only after two votes of no-confidence in a government, and that anything else would be a “violation of the constitution”.

Castillo and members of his family have been under investigation for months after repeated accusations of corruption and influence peddling. The president’s lack of political experience has meant a chaotic administration, with dozens of cabinet changes since he took power in July 2021 and government remaining largely paralysed.

Lisa Kenna, US envoy to Peru, condemned Castillo’s attempt to shut down Congress. “The US categorically rejects any extra-constitutional act by President Castillo to prevent Congress from fulfilling its mandate,” she tweeted.

Castillo’s prime minister and nine of his cabinet ministers announced their resignations almost immediately, saying they could not support the move.

Castillo had survived two previous impeachment attempts, thanks to his ability to keep a third of the opposition-led Congress on his side. Eighty-seven votes in the 130-seat chamber are needed to secure a president’s removal.

“The democratic system in Peru has broken down,” said Denisse Rodriguez-Olivari, a policy leader fellow at the School of Transnational Governance at the European University Institute, describing the move as a “self-coup”.

Instability in Peru, which has now had eight presidents since 2011, is likely to continue. More than 70 ministers have passed through Castillo’s government, of which Boluarte, the new president, was a key member.

Castillo has denied the allegations against him and characterised impeachment proceedings as the latest attempt to subvert the will of voters. He narrowly won a five-year term last year on a radical left manifesto, defeating rightwing candidate Keiko Fujimori. His attempt to seize absolute power was reminiscent of a similar move in 1992 by Fujimori’s father, Alberto Fujimori, who succeeded after receiving backing from the military and governed for eight years but eventually ended up in jail.

According to reports, Castillo was being held in the same police prison in which Fujimori is detained.

“Thirty years later, we doubt that the military will want blood on its hands for this,” said Eileen Gavin, principal analyst at risk intelligence company Verisk Maplecroft, in reference to the army’s lack of support for Castillo.

His third finance minister of the year, Kurt Burneo, was among those who quit on Wednesday. Burneo had acknowledged last month that political dysfunction was damaging the business climate in Peru, which is the world’s second-largest copper producer. In October, credit rating agency Fitch revised Peru’s outlook from “stable” to “negative”.

A report last week after a visit from the Organization of American States found that “political fragmentation” had put democratic institutions at risk, and recommended a “truce” while “a minimum consensus is reached”.

The foreign ministries of Brazil, Chile, Mexico and Colombia all expressed concern. A summit of the Pacific Alliance, a trade bloc including Peru, scheduled for December 14 in Lima, has been postponed, Mexico’s foreign ministry said.

Additional reporting by Peter Wells in New York and David Agren in Mexico City

Global output

Small number of large cities drive half the world’s growth

VALENTINA ROMEI AND ALAN SMITH
LONDON

A small selection of big cities has been the driving force behind more than half of the global economic growth this century, data show.

A McKinsey Global Institute analysis of more than 178 countries showed half of the rise in global output over the first two decades of the millennium was generated by regions making up less than 1 per cent of the world’s landmass.

While cities have always played an outsized role in driving development, the data highlight the degree to which growth was concentrated in places such as Shenzhen and Guangzhou in China, Delhi and Bangalore in India, and Los Angeles and Dallas in the US.

John Bluedorn, deputy division chief at the IMF, said the increasing dominance of urban areas in driving growth reflected “the economic benefits from increased specialisation and agglomeration”. Clustering activity in turn made trade and exchange “more efficient”.

The research showed growth was geographically dispersed, with the top contributors across 130 countries in every continent, with the most prosperous regions in poorer countries often having more in common with cities in advanced economies than their neighbours. Porto in Portugal and Mapusa in India had similar gross domestic product per capita in 2019, despite Portugal being more than five times richer than India.

About 700mn from poorer countries lived in high-growth regions. Places driving global growth were as diverse as São Paulo in Brazil, Lagos and Ibadan in Nigeria, Bucharest in Romania, and Bogor in Indonesia.

Lamia Kamal-Chaoui, director of the OECD Centre for Entrepreneurship, SMEs, Regions and Cities, said the Paris-based body found the most productive regions in a country, typically large cities, were on average twice as productive as the least productive regions. “Inequalities between places have grown over the last two decades,” she added.

About 2bn, or 27 per cent of the global population in 2019, lived in the regions that drove half of global growth.

McKinsey also found that from 2000 to 2019 about 1.1bn in China and nearly 1bn in 75 other countries, including Egypt, Brazil, Colombia and India, reached a high standard of living, defined as when life expectancy exceeds 72.5 years and annual real GDP per capita income is greater than $8,300.

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Middle East

Xi hails 'new era' in China-Saudi Arabia ties

President signs partnership deals on visit to Gulf amid Washington-Riyadh strains

SAMER AL-ATRUSH — RIYADH
EDWARD WHITE — SEOUL

Chinese president Xi Jinping announced a "new era" in Beijing's relationship with the Gulf region as he met Saudi Arabia crown prince Mohammed bin Salman in Riyadh yesterday and the sides signed partnership deals.

Xi wrote in Saudi Arabia's media: "The visit will carry forward our traditional friendship, and usher in a new era in China's relations with the Arab world, states of the Gulf and Saudi Arabia."

Ahead of his welcome by the kingdom's day-to-day ruler, Xi wrote that Saudi Arabia and China "respect each other's sovereignty and development path [and] respect each other's history and cultural traditions".

His plane was escorted by Saudi Arabian jets before he landed on Wednesday for his first visit since 2016. He was received at a royal palace by Prince Mohammed before meetings with the prince and aides yesterday.

The three-day visit, which will see the Chinese leader attend Arab and Gulf summits, comes at a low point in US-Saudi Arabia relations after the kingdom led Opec+ in oil production cuts, prompting warnings by Washington it might reassess its links with Riyadh.

Saudi Arabian and Chinese media reported that the sides signed a strategic partnership agreement that would see the countries' leaders meet every two years and penned 34 investment deals in sectors from technology to energy.

The deals included a memorandum of understanding between Huawei and the Saudi communications minister to establish 10-gigabit-per-second mobile internet speed and a cloud-computing facility in the kingdom, as well as construction deals for 300,000 housing units. Huawei's business dealings in the west have come under scrutiny because of security concerns.

Chinese electric vehicle manufacturer Enovate Motors also agreed an MoU with a Saudi Arabian holding company for a vehicle factory in the country that would create 100,000 cars a year.

The US has opposed Huawei's expansion in the area and recently warned that dealing with China could affect co-operation between the US and Arab countries. Washington added it would observe the trip, which comes weeks after US president Joe Biden visited Saudi Arabia and told Arab leaders the US would not leave a "vacuum" in the region for China, Russia and Iran to fill.

"We are mindful of the influence that China is trying to grow around the world," said John Kirby, for the US National Security Council, on Xi's visit. "The Middle East is certainly one of those regions where they want to deepen their level of influence."

The US was not asking nations to choose between Washington and Beijing, Kirby said, but US policies were "better suited to preserving prosperity and security for countries around the world than those that are demonstrated or touted by China".

Despite Biden's pledge, Gulf officials have said the US, by far Saudi Arabia's main security partner and arms supplier, has grown distant as it focuses on other regions. And Saudi officials have balked at playing off the two superpowers, saying they want to diversify their foreign relations.

China is already the kingdom's largest trading partner, while Saudi Arabia is its biggest supplier of crude.

Additional reporting by Maiqi Ding

Welcome: President Xi Jinping is greeted by Crown Prince Mohammed bin Salman at a ceremony in Riyadh yesterday during the Chinese leader's three-day visit
Bandar al-Jaloud/AFP/Getty Images

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Pandemic

Beijing faces drug supply shortage as Covid surge hits capital

RYAN MCMORROW AND NIAN LIU
BEIJING
SUN YU — NEW YORK

Beijing is running out of medical supplies as the Chinese capital combats a rapidly spreading coronavirus outbreak, according to health workers, putting stress on limited resources just as authorities lift restrictions.

Clinics designated for Covid-19 patients are quickly filling up and some hospitals in the city of 22mn people have begun rationing ibuprofen and paracetamol. Residents of Chaoyang, the district at the centre of Beijing's Covid outbreak, have emptied chemists' shelves of fever-reducing medicine and rapid antigen tests, staff at multiple pharmacies told the Financial Times. "We have a child with a high fever but all the pharmacies are out of ibuprofen," said a Beijing resident surnamed Lin. "It came too fast, we didn't have time to prepare."

Beijing is facing its first big coronavirus wave just as Chinese leaders have begun loosening zero-Covid controls. China's cabinet this week formally allowed home quarantine for asymptomatic and mild patients, a sign that the country's lockdown systems, enforced quarantine in state-run facilities, mass testing and contact tracing had failed to contain proliferating outbreaks.

New modelling revealed by the FT this week showed as many as 1mn people could die nationwide in a "winter wave" during the coming months.

Tens of millions of Chinese are set to travel home for next month's lunar new year holiday, raising the risk of spreading the virus from large urban centres to unprotected rural villages.

Most of the country's 1.4bn people have never been infected and have received China's domestically produced vaccines, which offer inferior protection to foreign-made jabs with messenger RNA technology.

Queues were forming outside pharmacies throughout Chaoyang yesterday evening as Beijing residents tried to stock up on medical supplies. "If you're lining up for fever reducers — ibuprofen — we don't have any," shouted one pharmacist to a line of a dozen people waiting in near freezing temperatures.

Emergency departments in Beijing are already reporting an influx of Covid patients, whom the city is trying to funnel through 94 designated clinics and hospitals. Peking Union Medical College Hospital, one of the country's top-ranked medical facilities, has converted its employee gym into a dialysis centre for end-stage kidney disease patients who have tested positive for the virus.

A person briefed on the situation at one of the fever clinics said it was being overrun with patients and running short of doctors. "Everyone is working 24 hours straight, resting for 24 hours, then returning for another shift."

A study last year by the Peking University School of Public Health warned that the capital was unprepared for such a Covid wave. It found Beijing had about 500 doctors who specialised in treating fevers, which it said was "too low".

The city yesterday reported 4,338 new Covid cases for the previous day. That figure was fewer than the total for Tuesday but came as the rate of testing slowed and residents turned to at-home rapid tests, which are not included in the city's case tally.

Additional reporting by Thomas Hale in Shanghai and Edward White in Seoul

US midterms. Senate run-off

Georgia result bolsters Democrats' policy agenda

Warnock win eases way for judicial selections and gives upper hand in committees

LAUREN FEDOR — WASHINGTON

On an otherwise grey and dreary winter morning in Washington, Chuck Schumer, the Democratic Senate majority leader, was ebullient, raising his fists in the air as he told reporters on Capitol Hill: "They say 'all good things come to those who wait'. And this outcome is absolutely worth the wait."

Schumer was referencing the result several hundred miles away in Georgia, where Democratic incumbent Raphael Warnock narrowly defeated Republican challenger Herschel Walker in the state's run-off election to hang on to his Senate seat.

The result cemented the Democrats' better than expected performance in November's midterm elections and strengthened Schumer's hand in the upper chamber of Congress. But it also prompted another round of hand-wringing among Republicans about the party's path forwards and the enduring political influence of former US president Donald Trump.

Walker's defeat by Warnock means that from January the Democrats will now control the Senate by a 51-49 margin — a rise from the current 50-50 split, where vice-president Kamala Harris is often required to cast a tiebreaking vote.

Although Republicans will regain control of the House of Representatives, the lower chamber, the shift in the Senate will nevertheless have a significant impact on Schumer and the Democrats' ability to advance their policy agenda.

In particular, the outright majority will make it easier for Democrats to confirm liberal judges to the federal judiciary, something that can be done in the Senate by a simple majority vote. It will also give the party the upper hand on each of the Senate's committees, and dilute the power of any individual Democratic senator to hold up legislation — as Joe Manchin, the conservative Democrat from West Virginia, has done on several occasions in the past two years.

"Having one person that can put their foot down and say 'absolutely not', even when the rest of the caucus would go forward, was really troublesome," said Meghan Pennington, a former Democrat staffer who is now a managing director at Penta Group in Washington. "Senator Warnock's re-election gives Democrats a little bit of space there."

The result also has big implications for both political parties as they look ahead to 2024, when several Democratic senators from swing states — including Sherrod Brown of Ohio, Manchin in West Virginia, Kyrsten Sinema in Arizona and Jon Tester in Montana — will be forced to seek re-election.

> 'They say "all good things come to those who wait". And this outcome is absolutely worth the wait'

At the same time, it has buoyed Democrats' optimism about their future electoral prospects in Georgia, once seen as a Republican stronghold but which has emerged as a key swing state.

In 2020, Biden defeated Trump there by a narrow margin, becoming the first Democratic presidential candidate to win Georgia in almost three decades. But in this year's midterms, hundreds of thousands of voters "split" their ticket, backing both Warnock and Republican statewide candidates such as Brian Kemp, the state's governor, and Brad Raffensperger, its secretary of state, both of whom cruised easily to re-election last month.

Walker's relative underperformance has revived a debate about what the Republican party's message should be heading into 2024.

"Democrats have done a pretty good job of picking issues that motivate their base and that have wider support among the public," Lindsey Graham, the Republican senator from South Carolina, said this week.

"We need to be doing the same thing. I think a lot of people in the Republican party don't see us doing it as emphatically as Democrats," he added.

The Georgia result also reopened a discussion about Trump's sway over the Republican party, in part because the former president has already filed paperwork for another White House bid and remains a favourite of the party's grassroots, who will vote in primaries to elect the party's next presidential candidate.

But his disappointing record in the midterms — all but one of his hand-picked candidates for the US Senate lost their bids for Congress — and mounting legal troubles are leading more and more Republicans to openly call for a changing of the guard.

Walker campaigned as a staunch Trump loyalist — something analysts from both parties say ultimately led to his downfall in the state. Meanwhile, Kemp and Raffensperger were staunchly opposed to the former president, who famously pressured both men to overturn the results of the 2020 presidential election amid his unsubstantiated claims that the election was "rigged" and "stolen".

Mick Mulvaney, Trump's former chief of staff, wrote on Twitter this week: "He has a swing-state problem for 2024 that is real . . . those who win primaries, and lose general elections, are still losers."

World Cup Dutch ditch their tradition of beautiful football as coach says winning trumps all

SIMON KUPER — DOHA

If the modest Dutch team that face Leo Messi's Argentina in tomorrow's World Cup quarter-final have an emblematic player, it's goalkeeper Andries Noppert.

In early 2020, when Noppert was a reserve at a lower-division club aged 25, his dad advised him to quit football. This year, Noppert became Heerenveen's starting keeper in the Dutch top division. After Dutch coach Louis van Gaal, inset, surprised everyone by picking him for Qatar, Noppert half-joked to a friend: "They've all fallen for it!"

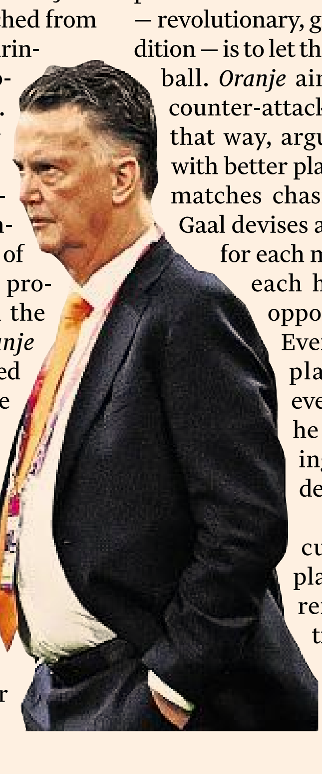
His Doha hotel room is so vast that he initially couldn't find the bathroom. Then came the next surprise: Van Gaal, pictured, made him starting goalkeeper, explaining: "He stops balls."

In four games here, Noppert has conceded just two goals. Admittedly he passes poorly, but then Van Gaal has ditched the Dutch tradition of footballing keepers. Noppert embodies a new Netherlands: little pedigree, better at stopping than creating, but unbeatable in regular play in the last World Cup and so far in Qatar.

When I was growing up an *Oranje* fan in the Netherlands in the 1970s, Dutch football had a moral mission. Defending was evil, so the Dutch attacked. The style fitted the wealthy Netherlands' 1970s self-image as a moral superpower, a "guide land" to less evolved countries. Beauty trumped winning. For a small country to reach World Cup finals in 1974 and 1978 was enough. *Oranje* didn't need to win to feel superior.

When Van Gaal became a manager in the 1990s, he was a football moralist. Now 71, but still looking "like a god", he jokes, he has been speaking frankly in Qatar, perhaps influenced by his prostate cancer, and admits: "I used to think you always had to attack. I have evolved to focusing more on winning. At Barcelona we were once leading Valencia 3-0 at half-time, and lost 3-4. Those are moments you ask yourself: is this so sensible? You see that at this World Cup."

Coaching Barcelona around the millennium, he had two disciples who would become great coaches: midfielder Pep Guardiola and assistant coach José Mourinho. Van Gaal has switched from Guardiolaesque attack to Mourinhoesque game plans that subvert opponents' intentions. Modern football "is no longer an open game", he explains.



But the shift was also his response to a generational draining of Dutch talent. A country of 17.5mn cannot consistently produce world-class players. In the 2010 World Cup final, *Oranje* repeatedly fouled more talented Spain. Under Van Gaal at the 2014 World Cup, they finished third by counter-attacking via their last great forward, Arjen Robben. Today's team has only two world-class players: central defender Virgil van Dijk and midfielder Frenkie de Jong. Most of the others would never be picked for sides like France or England.

A mediocre team cannot dominate possession. Instead, the Dutch strategy — revolutionary, given the national tradition — is to let the opposition have the ball. *Oranje* aim to strike through counter-attacks. Even Brazil play that way, argues Van Gaal, albeit with better players. De Jong spends matches chasing opponents. Van Gaal devises a different game plan for each match, sometimes for each half, tailored to the opponents' weaknesses. Every player follows his plan, he notes. "Not every group wants that," he adds, recalling having to weed out dissidents from past teams.

His players can execute complex game plans because the last remnant of the Dutch tradition is footballing intelligence. "Football is played with the brain," says Van Gaal. It's working: the Dutch are unbeaten in 19 games, and unbeaten in regular play in 11 World Cup matches under Van Gaal since 2014, though they lost on penalties to Argentina in that year's semi-final.

He predicts that because more gifted teams like Argentina won't adapt to the Dutch tactics, "then we have a big chance after all".

> 'I used to think you always had to attack. I have evolved to focusing more on winning'

The Argentines have weaknesses to exploit: Messi doesn't defend, the team runs relatively small distances, and some players are substandard. Van Gaal won't reveal his game plan but will follow some traditional Dutch tenets. For example, rather than trying to stop the genius, you cut the passing lines from the guys who supply the genius. For Argentina, that means Enzo Fernández and Rodrigo De Paul.

The rare Dutch attacks are hyper-efficient, particularly the 20-pass move for Memphis Depay's opening goal against the US in the round of 16 match. It was a flashback, a moment of cheer for Dutch romantics yearning for lost beauty, as if even this *Oranje* generation carry the tradition deep in their bones.

Memphis, who prefers using his first name, is a reserve for his club Barcelona, but as Van Gaal says, he is "top scorer and assist king" for *Oranje*. "I kiss him on the mouth," the coach jokes fondly. Supporting Memphis is Cody Gakpo, 23, still with his hometown club PSV Eindhoven, but the Dutch revelation here. A precise curler of shots, he scored three goals in the group games, with his right foot, his left and his head, from just four attempts from unpromising positions. His Togolese dad and Dutch mum cheer him from the stands, like parents at a school play. Gakpo is a rare light in an ugly side. But for Van Gaal now, winning trumps beauty.

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Fosun friction Debt woes at Chinese owner mean plans for Spac-led listing of fashion house Lanvin face choppy ride ➔ PAGE 9

Companies & Markets

Ex-Wirecard chiefs accused of 'racket' as trial kicks off

- Braun and lieutenants in the dock
- Charges take four hours to read out

OLAF STORBECK — MUNICH

Prosecutors yesterday accused Wirecard's senior management of running a "criminal racket" and committing a multibillion-euro fraud at the German payments group.

Markus Braun, former chief executive, sat through four hours of criminal charges in an underground courtroom in Munich at the opening of the trial into the collapse of one of Germany's largest listed companies.

Ex-accounting head Stephan von Erffa and former Dubai-based manager Oliver Bellenhaus were also subjected to the 89 pages of charges.

> Prosecutors claim a cabal operated for more than five years, forging papers and lying to auditors

Braun was charged with four counts of accounting manipulation, 26 of market manipulation, and six apiece of fraud and embezzlement. Should he be found guilty on all charges, he could face a jail term of up to 15 years.

Prosecutors are demanding repayment in cash of €91.3mn from Braun and his family office, €5.9mn from Bellenhaus, and €3.2mn from von Erffa. The court appointed two forensic psychiatrists who will be tasked with assessing von Erffa's mental health.

Jan Marsalek, Wirecard's former second-in-command, was not in the dock as he has been on the run since June 2020, with law enforcement officials suspecting that he is hiding in Russia.

The trial's opening, on the premises of one of Germany's largest prisons, was delayed by 45 minutes because of tight security, with queues of visitors and journalists searched for weapons.

Prosecutors allege that a cabal at the top of Wirecard operated for more than five years, forging documents and lying to auditors and investors to hide operational losses, inflate the group's share price, and fraudulently raise more than €3bn in debt. The defendants were accused of siphoning off at least €255mn of corporate funds by granting loans to sham business partners.

The trial is expected to run well into 2024. Braun and von Erffa deny wrongdoing. Bellenhaus has turned chief witness and "intends to continue his co-operative behaviour", according to a pre-trial statement by his lawyers, who stressed that he would "take responsibility" for his actions.

Braun and Bellenhaus are in police custody and during the trial will be held in Stadelheim prison because they are considered flight risks. Von Erffa was released on bail last year.

At the core of the case is Wirecard's outsourced payments business in Asia, which on paper accounted for half the group's revenue, the bulk of operating profits and about €1.9bn in corporate cash purportedly held in escrow accounts in Asia. Prosecutors say this third-party acquiring business never existed. They said contractual agreements with TPA partners were poorly documented, lacking dates and signatures, and that in some cases referenced referral agreements that did not exist.

Prosecutors described how Bellenhaus from 2016 onwards provided von Erffa with forged balance confirmations and financial reports about the TPA business, often double-checking with him if the numbers he submitted were "correct" and in line with the guidance Braun had given to the financial market.

Alfred Dierlamm, Braun's lawyer, previously argued that the TPA operations were real but that the proceeds were embezzled by criminal Wirecard employees without Braun's knowledge and consent.

Tricky play list Hipgnosis sticks to catalogue valuation despite steep decline in share price

Hipgnosis had to stop buying song rights from artists such as Rihanna, above, after its stock fell — Kevin Mazur/Getty Images

ANNA NICOLAOU — NEW YORK
KAYE WIGGINS — LONDON

Hipgnosis, the investment trust that owns rights to songs by Nirvana, Rihanna and Britney Spears, has maintained the value of its music catalogues at $2.2bn, even as its shares trade at a steep discount to that.

At a presentation yesterday, chief executive Merck Mercuriadis sought to soothe nerves over the trust he founded. After trotting out Bon Jovi's Richie Sambora to perform *Living on a Prayer* to a room of investors and analysts, he said: "I consider ourselves to be entering the top 10 of the charts as a company at the moment, and this is a company that's going to go to number one, this is just the beginning.

"Yes, [the] share price doesn't reflect value, yes the discount is unacceptable, but we're going to fix those problems."

Underlying royalty revenue from Hipgnosis's songs rose about 4 per cent to $121mn in the year to June, the company said. The figure has been falling, though it rose 12 per cent in the second half of last year.

The Hipgnosis Songs Fund pioneered the use of song copyrights as an asset class, a concept that was particularly appealing during the era of ultra-low interest rates because songs generated consistent cash flows.

The fund enjoyed explosive growth by repeatedly raising money from investors, including the Church of England's investment arm, and using it to snap up the rights to more than 65,000 songs. It is managed by Hipgnosis Song Management, owned by US private equity group Blackstone.

But HSF has been in limbo this year. Its falling share price has forced it to stop buying song rights because it cannot raise cash for purchases without diluting existing shareholders.

Its board said yesterday that it did not expect to raise any more equity until its shares trade at a premium to the catalogue's $2.2bn valuation.

Citrin Cooperman, the agency that sets the Hipgnosis valuations, has left the so-called "discount rate" — used to calculate the catalogue's value — unchanged for more than a year, even as central banks have aggressively raised interest rates.

Hipgnosis said that it hired bond rating agency Kroll to advise on the "reasonableness of certain assumptions" used for Citrin Cooperman's valuations.

Mercuriadis also said the Hipgnosis valuation was consistent with multiples in other recent music deals.

Sachin Saggar, an analyst at Stifel, said the hiring of Kroll was "welcome" but warned that the Hipgnosis portfolio's valuation multiple was still "optically high". HSF stock rose more than 2.5 per cent yesterday but have fallen by about a third this year.

Trafigura's shareholders and traders to receive $1.7bn

DAVID SHEPPARD AND LESLIE HOOK
LONDON

Trafigura is handing more than $1.7bn to its top traders and shareholders after its net profit more than doubled from already record levels last year, fuelled by the energy crisis.

The Swiss-based commodities trading group, which is owned by 1,100 shareholders mainly made up of executives and traders at the privately held firm, reported that net profit soared to $7bn in the year ending September 30.

The $1.7bn payout illustrates how trading houses have been among the biggest beneficiaries of an energy crisis that has roiled the world economy and stoked cost-of-living pressures.

Trafigura has long been highly profitable but its earnings have ballooned over the past three years, as energy market volatility has soared. In 2019, the last year before oil and gas markets were hit by the pandemic and the following energy crisis, it posted net profit of less than $900mn.

One of the most powerful trading houses, Trafigura moves raw materials, with assets ranging from mines and ports to energy infrastructure across 150 countries.

Chief executive Jeremy Weir said that 2022 had been marked by "unprecedented market volatility" and "big structural shifts" because of the war in Ukraine and Europe's energy crisis, in which natural gas prices have soared after Russia cut supplies.

Weir said the company's traders had performed "exceptionally well, adapting quickly to changing trade flows and identifying supply bottlenecks".

The coming year "is likely to be at least as challenging as 2022, with further market turbulence as the war in Ukraine continues and central banks lift interest rates to try and quell inflation".

The group traded lower volumes of oil and petroleum products but with a higher overall margin of 3.8 per cent, compared with 3 per cent the previous year, as it pulled back from business with Russia because of international pressure and sanctions.

Before the war, Trafigura was one of the biggest traders of crude and refined products from Rosneft, the Russian oil champion, a relationship that it had spent many years cultivating.

But after the invasion it moved rapidly to distance itself from the company and from Russia more widely.

Murdoch faces complex call on whether or how far to back Trump

INSIDE BUSINESS
MEDIA
Alex Barker

Rupert Murdoch has backed politicians as eclectic as Hillary Clinton (at least in New York), the Australian trade unionist Bob Hawke, and an ex-employee called Boris Johnson, dismissed for fabricating quotes. But one of the media mogul's early endorsements was perhaps the strangest of all.

In 1960, the young Australian publisher visited an island nation ruled by a charismatic rebel who had riled Washington. On his return Murdoch wrote what biographer William Shawcross described as a "starry-eyed" piece demanding the US end its hostility.

Cuba's Fidel Castro had probably never heard of the Sydney Mirror or its owner Rupert Murdoch. But countless politicians would come to understand, and fear, the prize that is a nod from Murdoch, and the primal forces it can muster in any election campaign, often through tabloids such as the Sun and the New York Post. Murdoch is well known for staunch anti-elite, low-tax, defence-heavy conservatism. But if there is a Murdoch Method to picking politicians, it has proven chameleon-like in its pragmatism over the years.

The choices are never straightforward, and they have become more complex as Murdoch's clout has grown. Now, at 91 years old, he might face one of the trickiest calls of his career, with implications for his influence and the profit machine that is Fox News. What to do with Donald Trump?

Murdoch is a past master at taking the measure of a politician and sensing their sell-by date. Over half a century he has slipped allegiances, and sometimes switched parties, with timing that amplified his perceived power.

He insists profit is not a factor — "I have never asked a prime minister for anything" — but his dexterous choices often furthered his commercial ambitions. When he backed Tony Blair's Labour party before the 1997 election, Murdoch likened it to "making love like porcupines" — something to be done "very, very carefully".

Even more care may be needed with Trump's prickles. Murdoch was reported to have been initially deeply unimpressed by Trump in 2016 but soon realised his shameless grandstanding had captivated Republicans.

> The mogul's US papers have turned on the former president, the New York Post branding 'Trumpty Dumpty' a deluded loser

Trump's rise was also undeniably good for Murdoch's business: Fox News thrived, with record profits, record audiences and unparalleled influence. The calculus has changed. His US newspapers have turned on the ex-president, the New York Post revelling in casting "Trumpty Dumpty" as a deluded election loser. Trump looks decidedly out of favour.

But the die has yet to be cast at Fox News, the organ through which Murdoch and his heir Lachlan could decisively influence the Republican nomination for president. The network's anchors were relatively muted when Trump declared his candidacy last month. That absence of enthusiasm was telling, but not hostile. The channel that helped make Trump president appears yet to decide how far to back him.

Consider what is at stake. Murdoch has known presidents since John F. Kennedy, but nothing compared with Trump. It wasn't just that Trump watched Fox News and hired its anchors, he also regularly called Murdoch for advice. "For Rupert, it was priceless, the greatest entertainment," said one former aide.

There is no denying the Trump decision also has financial implications. Fox News — boasting margins close to 50 per cent — is the powerhouse of a cable division making almost $3bn of underlying profit. Fox News ratings have trounced rivals this year. But its prime time audience has never returned to Trump-era highs, and it is dominated by over-55s.

Trump brings ratings, but also trouble. The post-Trump hangover for Fox News included two multibillion-dollar defamation lawsuits served by voting-technology groups. Fox denies wrongdoing, but some of its shareholders say they are resigned to hefty settlements.

More worrying for Murdoch long term is the way Trump has divided his audience. Since 2020, "trust" in Fox News among right-leaning voters has dropped from 73 per cent to 56 per cent, according to surveys by the Reuters Institute at Oxford university.

This is alarming for a Murdoch media machine that prizes one mantra above all: give people what they want. Can Murdoch deliver in 2024? Fox News might find a saviour from the Trump choice in Florida governor Ron DeSantis, or it might hedge its bets and bank on cosying up to the former president if required. But this election, the dilemmas will be sharper, and the stakes higher — even for Rupert Murdoch.

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FT Weekend

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Industrials

DS Smith to shut Kent plant in focus on EU

Chief calls on government to align regulations with Brussels to ease trading

OLIVER TELLING — LONDON

Britain's largest packaging company warned that a planned bonfire of EU laws risked plunging the UK into a deeper economic crisis as it announced plans to close its factory in southern England and continue expanding production in Europe.

Miles Roberts, chief executive of DS Smith, said the group's international business could not continue to subsidise operations in its home country, adding it would be "extremely helpful" for manufacturers if the government aligned regulations "wherever possible" with EU rules to ease trade.

His remarks add to warnings by UK businesses against a deeper separation from the EU post-Brexit, as the government pursues plans to "review or revoke" up to 4,000 pieces of law derived from the bloc.

"The UK economy is one of the weakest places for manufacturers now. But we have more than made up for that with strong investments elsewhere," Roberts added. DS Smith recently opened factories in Poland and Italy, and is expanding in Germany.

"What really is the benefit [of diverging from EU rules]? It adds cost and complexity . . . It's more cost and inflation for the UK," Roberts said.

The decision to wind down DS Smith's factory in Aylesford, Kent, which produces cardboard displays for retailers, was "very regrettable", he said, but the company had to "respond to the demand that's there". The closure is expected to lead to about 100 job losses.

"There are now quite severe restrictions on the movement of products between the UK and its biggest market," he said, adding that the company's exports to the bloc had roughly halved since Brexit.

Roberts said DS Smith did not have plans for further closures, but added: "A lot of what we make still abides by EU regulations. If the UK government's going to come away from that, then we're going to have all these separate registrations . . . We'll have to think very hard about . . . how we deal with that."

Unite union officer Louisa Bull said workers at the Aylesford factory were "gutted" by the decision. She said jobs would be available at another warehouse in Cambridgeshire but staff would need to relocate.

Separately, the GMB union "reluctantly accepted" an improved pay increase of 8 per cent from DS Smith after last month 93 per cent of the 1,000 workers it represents voted to strike over pay. It still has one paper mill and 27 packaging facilities across the country excluding the Aylesford factory.

GMB officer Eamon O'Hearn said the Aylesford site closure had contributed to concerns about the future of UK manufacturing and factory workers, adding "no one can escape the impact that Brexit had on supply chains".

"The other parts of [DS Smith] are subsidising the UK. And that can't go on forever," said Roberts, adding some of its UK factories were now lossmaking.

His comments came as DS Smith reported an 80 per cent surge in profits to £315mn in the six months to October, as revenue rose 28 per cent to £4.3bn.

The group also revealed it provided £100mn in support to its UK pension scheme through a cash advance and liquidity facility, as recent turmoil in the gilt markets plunged many UK retirement plans into crisis.

Oil & gas

Shell's energy supply arm sought £1.2bn of support from parent

NATHALIE THOMAS AND TOM WILSON

Shell's household energy supply business in Britain has sought cash and loans of nearly £1.2bn from its parent company since the start of the year, highlighting the continued financial pressure on even some of the biggest electricity and gas retailers.

Accounts for Shell Energy Retail, which supplies 1.4mn households, show the lossmaking subsidiary was forced to seek capital injections from other parts of the highly profitable energy major on several occasions to meet its obligations for this year and next.

Although Shell Energy Retail's accounts have been prepared on a "going concern" basis because of the funding support from other Shell companies, the accounts highlight how Britain's energy supply market remains in a fragile state.

The sector was thrust into crisis last year as surging wholesale electricity and gas prices exposed many companies' poor business practices and lack of access to external funding. More than 30 suppliers have gone bust since the start of 2021, with the biggest failure, Bulb Energy, forecast to cost taxpayers as much as £6.5bn, according to the UK's Office for Budget Responsibility.

Shell is on course for its most profitable year after Russia's full-scale invasion of Ukraine

Centrica, Britain's biggest energy supplier, has said it believes more suppliers could collapse this winter if they are not part of a wider profitable group or cannot raise external funding.

Shell Energy Retail said in accounts published at Companies House this week that it had received capital injections from other Shell subsidiaries of £20mn on February 14 and £177mn on March 25.

It has agreed a further £288mn capital contribution from another part of the Shell group for 2023. As part of the funding package, the retail arm has also secured continued access to a £680mn working capital facility provided by a "central treasury company" within Shell, according to the accounts.

"This funding will enable the company to meet its liabilities as they fall due for a period until 31 December 2023," the accounts read.

The accounts are for the year to December 2021 but were signed off by the board of the subsidiary last month and detail funding arrangements that were agreed this year with the wider Shell group.

UK-headquartered Shell, which produces and sells oil, gas and renewable energy in dozens of countries, is on course for the most profitable year in its history after Russia's full-scale invasion of Ukraine sparked an energy crunch that has pushed prices for many commodities to record levels.

In the first nine months of the year it reported earnings of more than $30bn, leaving it on course to smash its annual profit record of $31bn set in 2008. Last year it made $19.3bn.

Shell Energy Retail, in contrast, made pre-tax losses of £111.6mn in 2021, according to the subsidiary's separate accounts, although this was an improvement on the previous year's loss of £137.8mn.

Shell Energy Retail used to be called First Utility but was acquired by the energy major in 2018 as part of its campaign to become the world's largest electricity company by the 2030s. It also has 500,000 broadband customers.

Financials. Joint venture

SocGen bets big on AllianceBernstein tie-up

Deal with US asset manager shows changing economics in the supply of research

OWEN WALKER — LONDON

Since its founding in New York in 1967, AllianceBernstein has built a reputation for equity research. More than 50 years later, Société Générale is trying to cash in on the US asset manager's renown.

The companies last month agreed to create a joint venture combining AllianceBernstein's research division and SocGen's cash equities business, a move that underlines the challenge they face.

Slawomir Krupa, head of SocGen's corporate and investment bank who will take over as CEO in May, is betting that AllianceBernstein's research will help take market share in European cash equities from French rival BNP Paribas and heavyweight Wall Street rivals. A low-margin business, cash equities trading involves buying and selling shares for clients and is typically seen by banks as a nice-to-have offering for customers already writing large cheques for more lucrative services.

"This will significantly enhance our ability to play a bigger role in the investment banking business with our corporate clients," Krupa said of the joint venture that SocGen will have the option of owning outright in five years.

But the deal also exposes the fragile economics behind equity research, a picture many believe has been made worse by the EU's introduction in 2018 of sweeping rules known as Mifid II.

Under Mifid II asset managers must split the cost of buying research from that of trading securities, a requirement designed to stop investment banks and brokers offering research as an inducement to trade with them. Until the shake-up the cost of research was typically bundled up with other investment banking and broking services and passed on to clients.

In the run-up to Mifid there were plenty of warnings the overhaul would undermine independent research companies and force them into the arms of investment banks with deeper pockets. Although Mifid II is a piece of European legislation, it has led to more scrutiny worldwide of the cost of research.

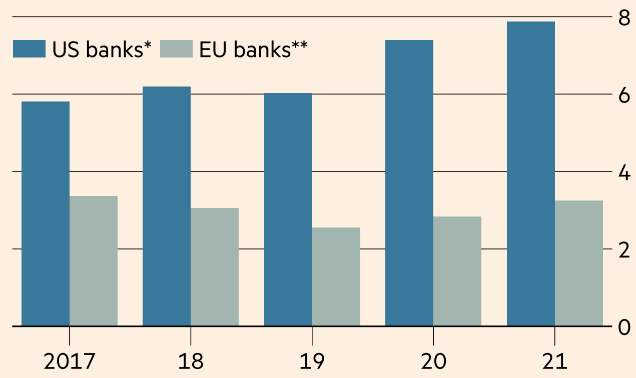
Krupa was in talks over the shape of a deal for more than a year with Seth Bernstein, who runs AllianceBernstein.

For the US group, which has $627bn of assets under management, the joint venture holds out the prospect of generating more value from a respected research arm that lacks the financial firepower to expand by itself.

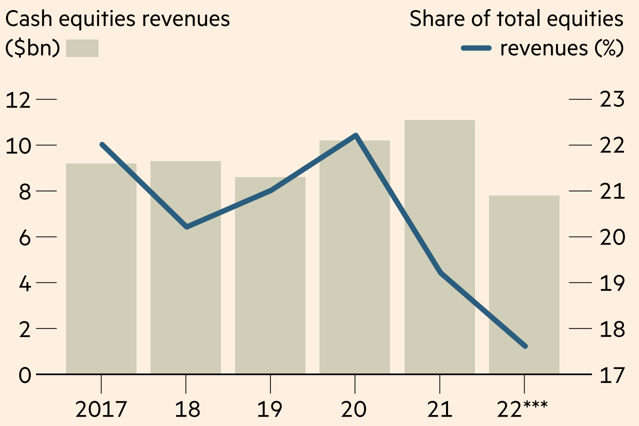
Bernstein said last month that the US asset manager "didn't have the resources" to help grow the research business in Asia, the US and Europe.

"AllianceBernstein reached the limit of where they could sell their research, but they needed equities capital markets to turbo charge it," said a senior SocGen banker familiar with the deal.

Cash equities market
Global revenues ($bn)



Investment banks' cash equities business



* US banks: BofA; Citi, Goldman, JPM and MS ** Barc, BNPP, CS, DB, HSBC, SocGen and UBS *** Year to date
Source: Coalition Greenwich

Société Générale hopes the deal will help it steal a march on its rivals in France and the US
Nathan Laine/Bloomberg

Headquartered in Nashville, Tennessee, AllianceBernstein bought Autonomous, a UK research company that will be part of the joint venture, four years ago.

The tie-up with SocGen has echoes of deals that investment banks have struck in recent years with research firms — some of them spurred by the changes wrought by Mifid II.

In 2019, Rothschild & Co took a minority stake in Redburn, a UK equity research house, and last year Nomura, the Japanese bank, agreed a tie-up with Wolfe Research of New York.

BNP Paribas also bought the remaining 50 per cent stake in Exane, the research company, it did not already own last year. While BNP's move helped the bank cement its equities services in Europe, SocGen's deal gives it the option of expanding into the US.

Flora Bocahut, an analyst at Jefferies, said that the deal made strategic sense for SocGen, especially in light of Mifid II.

"Bernstein's research and SocGen's equity capital markets, derivatives and prime capabilities offer good complementarity," Bocahut noted. It would allow "for more scale, a wider range of services and some more synergies, increasing the profitability of this business".

The deal should allow SocGen to pitch a wider range of products and services to clients. Existing buyers of Bernstein research, for example, may look to SocGen's cash equities team to execute their trades. Under Krupa, SocGen's investment bank has tried to shift away from a reliance on equity derivatives — often complex financial products that left the bank with heavy losses when markets tumbled at the outbreak of the coronavirus pandemic in 2020.

> 'European banks are realising they can't maintain a cash equities business without a significant American presence'

And there is optimism within the bank that the joint venture with AllianceBernstein will prove attractive to its clients.

"Our research isn't groundbreaking . . . so this gives us more of a global profile," said the senior SocGen banker. "It solidifies us in Europe and gives us more salespeople globally."

Nevertheless, turning a prosaic cash equities business into something more valuable will not be straightforward.

Coalition Greenwich, a research company, said that in the first nine months of the year, the largest investment banks generated $44.2bn of revenues from equities-related businesses. Just $7.8bn came from cash equities, with equity derivatives and prime services pulling in more than twice as much.

The US cash equities market dwarfs that of Europe and Asia. Revenues for US banks have grown steadily over the past few years thanks to the country's larger equity market, while those in Europe have stagnated.

"It's not very profitable for European banks," said Youssef Intabli, research director at Coalition Greenwich. "American banks with scale will do muchbetter."

Volatility in equity markets unleashed by the pandemic helped sustain the cash equities businesses for European banks, said Intabli, but that is now fading as markets sour and the global economy slows.

"European banks are realising they can't maintain a cash equities business without a significant American presence," he added.

While the tie-ups with investment banks give independent research providers greater resources to expand, it also raises questions of whether they can preserve their reputation for impartial analysis.

Some of the world's biggest investment banks were sanctioned by US regulators following the dotcom bubble for issuing overly optimistic equity research in order to win business from tech companies.

Joshua Maxey, co-founder of Third Bridge, an independent research company, said: "From the independent research providers' perspective, these deals are an avenue to extend distribution. For banks, they see them as being able to offer highly valued research to differentiate themselves from competitors."

SocGen's Krupa is banking that the tie-up with AllianceBernstein can do just that without putting off the US asset manager's clients.

Annual results

Spac businesses confess to poor bookkeeping and control failures ahead of year-end audits

STEPHEN FOLEY — NEW YORK

Scores of groups that went public in the Spac boom are heading into the financial year-end with accounting practice weaknesses, raising the prospect that their annual reports might not paint a true picture of their financial health.

The failures of internal controls and poor bookkeeping, disclosed in quarterly reports over the past month, provide more evidence to critics of special purpose acquisition companies, who say the trend has resulted in a large number of potentially risky listings.

The companies themselves, meanwhile, are faced with escalating costs as they race to hire more accounting staff and reach the higher audit standards.

"A lot of people were caught up in the glow of, 'Hey I can go public now, it's a bull market, everyone's really excited about my company and my vision'," said Kris Bennatti, who runs investment research firm Bedrock AI. "The glow is gone. Reality has come to bite us."

More than 350 companies have gone public in the US since the start of 2020 by merging with a Spac, a cash shell set up specifically to make an acquisition. The arrangement allows a company to avoid a traditional initial public offering, which can be expensive and bars executives from making speculative forecasts about their prospects. Companies that come to market via a Spac are sometimes called "de-Spacs".

After an initial clamour among investors, many de-Spac share prices have crashed amid notable disasters and a wider rethink of the value of early-stage businesses. They include revelations of fraud at the electric-truck maker Nikola and a warning of possible bankruptcy by the crypto miner Core Scientific.

Research by Bedrock in September found 49 per cent of the quarterly financial filings by de-Spacs since 2020 contained an admission of ineffective internal controls, compared with 20 per cent across US public companies in the same period. A review of more recent filings, covering the third quarter, shows only a small number of companies with problems had been able to rectify them.

The media group BuzzFeed, for example, said on November 14 that "although management designed remediation plans in 2021, due to resource constraints and lack of sufficient staff with technical expertise, the necessary business process and IT general controls were partially implemented or not executed consistently".

> 'A lot of people were caught up in the glow of, hey I can go public now, it's a bull market'

Dozens of others included similar language in their third-quarter filings, with companies including Redwire Rocket Lab USA, Astra and Virgin Orbit reporting material weaknesses. A material weakness is typically said to open a "reasonable possibility" that a financial misstatement "will not be prevented or detected on a timely basis".

Investors in a Spac have the option of getting their cash back instead of keeping shares in the company after a merger, and companies that had high investor redemptions are about 50 per cent more likely to have reported material weaknesses in their financials, said Michael Ohlrogge, a New York University law professor who studies Spacs.

The higher the level of redemptions, the less cash is available to the de-Spac company, and the fewer outside investors might be scrutinising the company.

"Not only are there fewer big shareholders to hold their feet to the fire, there is also less liability risk," he said. "It's also of course possible that the high redemption Spacs had high redemptions because investors realised the target companies were not well run."

Bennatti cautioned investors not to dismiss such red flags. "If you can't report your revenue line correctly under generally accepted accounting principles, you are probably not tracking your key performance indicators very well," she said.

COMPANIES & MARKETS

French fashion label Lanvin faces choppy ride under owner Fosun

Plan to list luxury brand via Spac comes as Chinese conglomerate grapples with debt problems

ANNACHIARA BIONDI — LONDON

Guo Guangchang's Fosun acquired a controlling stake in Lanvin in 2018, promising to revive the fortunes of one of France's oldest fashion houses, which had suffered a long decline in profits and a revolving door of creative directors.

Four years on, the Chinese billionaire is planning to take Lanvin public as he battles to pay down a $36bn debt pile, while the 133-year-old brand remains far behind rivals Chanel, Dior and Hermès in the biggest consumer market.

The share sale, which Guo hopes to push through via a special purpose acquisition company in the US, initially gave Lanvin Group an enterprise value of $1.5bn. But in October the valuation was lowered to $1bn, and the Spac deal is being criticised by a minority shareholder.

Lanvin's choppy ride under Fosun's control is emblematic of a turbulent period for formerly aggressive dealmakers such as Guo and the international marquee companies they acquired during an explosion in offshore acquisitions in the mid to late 2010s.

After being acquired by heavily indebted Jining-based conglomerate Shandong Ruyi in 2017, British label Aquascutum, Israeli tailor Bagir and Savile Row tailor Gieves & Hawkes have ended up in liquidation. In 2020, debtors took over French luxury brand Baccarat as Chinese owner Fortune Fountain Capital, which had acquired it in 2017, struggled with defaults.

Eric Young, founder of Shanghai boutique Le Monde de SHC, said that the problem was that Chinese consumers remained mostly unaware of Lanvin, which lacked a clear identity. "The quality is still there, but they don't have a story now. When people want to buy luxury, they don't think of buying Lanvin."

Founded in 1889 by Jeanne Lanvin in Paris, Lanvin is among France's oldest surviving fashion houses and the most prestigious of the companies acquired by Fosun's fashion division, which include Italian shoemaker Sergio Rossi and US knitwear group St. John.

In October 2021, Fosun Fashion was rebranded as Lanvin Group to increase its international appeal and recognition. The group expects to turn profitable by the second half of 2024 and treble its revenue to €989mn by the end of 2025.

That plan depends in large part on success in China, where it expects a 400 per cent increase in sales to lift its share of group revenue from about 14 per cent.

Industry insiders are sceptical about the growth forecast after Lanvin notched up sales growth of 32 per cent year on year in the first half of 2022.

"The story is always about expanding in China, but in the end, it is a very competitive market," said Jonathan Yan, a principal at consultancy Roland Berger.

Mainland China accounts for 17 per cent of luxury spending on personal goods and is forecast to become the largest luxury market by 2030, according to consultancy Bain & Co.

But the region is challenging. Conglomerates such as LVMH, the biggest luxury group, and Kering, a French rival, have consolidated their position, acquiring share at the expense of smaller brands including Lanvin, which have struggled to win over shoppers.

Lanvin's future has been clouded by management issues and rising questions about Fosun's long-term commitment to the brand.

Models exhibit Lanvin designs at Paris Fashion Week. A tough phase under Fosun's control underlines the turbulence for once aggressive dealmakers and the marquee businesses they snapped up
Shutterstock

Fosun bought Lanvin from Chinese newspaper magnate Shaw-Lan Wang and Ralph Bartel, who owned 75 per cent and 25 per cent of Arpège SAS, the holding company that owns the "Lanvin" name in 2018.

But two people close to Arpège SAS complained that Fosun had not been respecting the shareholders' agreement signed in 2018, which they said included clauses such as the need to agree on chief executive appointments.

"Fosun is deciding everything," one of the people said. "As soon as Fosun becomes controlling [stakeholder], they are trusting no one any more, they are changing all the people. They are all Fosun people and everything is very strictly controlled."

The Lanvin Group said that while the contents of the shareholders' agreement were subject to strict confidentiality, "we can emphatically state that this assertion is wholly incorrect".

After the acquisition, Lanvin appointed Jean-Philippe Hecquet chief executive, but he left after less than two years. Joann Cheng, who is also chair of the Lanvin Group and senior assistant president of Fosun International, Guo's main Hong Kong-listed vehicle, has been acting as interim chief executive.

Lanvin creative director Bruno Sialelli, who joined in 2019, has yet to return Lanvin to the critical esteem it enjoyed under Alber Elbaz, the late Israeli designer who rejuvenated the brand. The label reported a 108 per cent year-on-year sales increase to €73mn in 2021, a little more than a third of its 2011 revenue.

The Spac deal, to be handled by Primavera Capital Acquisition Corporation and up for a vote on December 9, is expected to raise up to $544mn for the

> 'As soon as Fosun [takes control], they are trusting no one, they are changing all the people'

Lanvin Group to expand its existing brands, especially in the US and China, and for potential acquisitions. Existing shareholders of Lanvin Group are expected to hold 55 per cent of the listed group after closing.

People close to Arpège SAS said they were concerned that Fosun's financial turmoil had hit the Lanvin brand.

They pointed to an amendment filed by Lanvin Group to the US Securities and Exchange Commission that showed that if the conglomerate went through with the Spac deal but was later forced to reduce its stake to shore up liquidity, Lanvin Group might have to cease using the brand Lanvin.

Fosun insists it remains in a healthy position with debts of Rmb100bn ($14.4bn) — a third of Moody's calculation — against total assets of Rmb270bn. Despite those assurances, the company has increased asset sales to nearly $5bn this year from $100mn in 2021. On Monday, the group sold a $110mn stake in a Shenzhen-listed utility group, in its latest divestment.

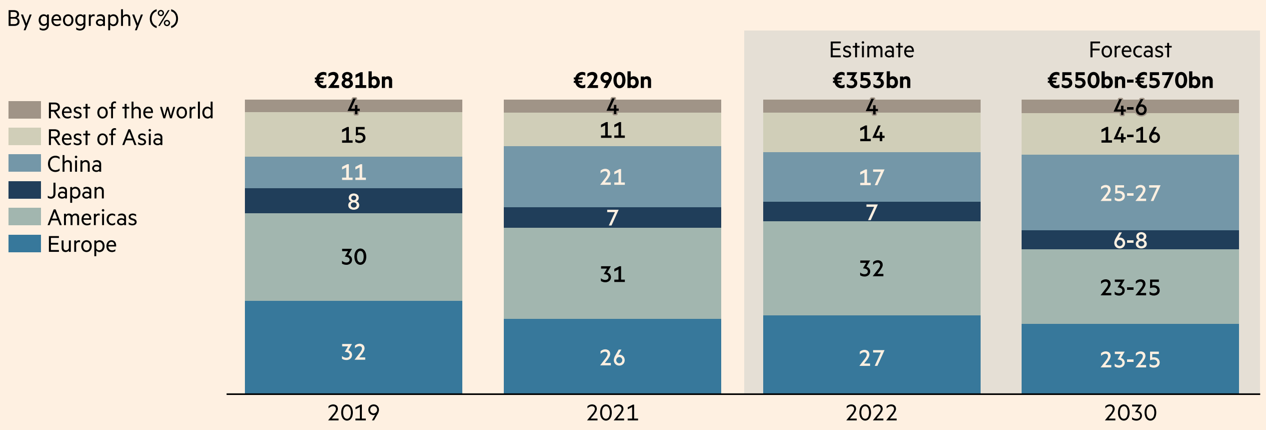
Fosun said it had no plans to sell shares of Lanvin Group after listing. According to the SEC disclosure, the group and its affiliates are under a 12-month lock-up arrangement, which prohibits them from disposing of their Lanvin Group shares for the 12 months after the closing date.

Some people close to Arpège SAS are not persuaded.

"In all my life as a professional, I have never seen something like this," they said, adding that management turnover was "unbelievable".

Additional reporting by Edward White and Cheng Leng

Personal luxury goods market
By geography (%)



Figures at top of bars are totals
Source: Bain-Altagamma, Luxury Goods Worldwide Market Study (21st Edition)

Technology

Ma bows out as president of networking association for entrepreneurs

RYAN MCMORROW AND NIAN LIU
BEIJING
QIANER LIU — HONG KONG

Alibaba co-founder Jack Ma has stepped down as president of a business association in his home province as he continues to shun the limelight.

Before running foul of Xi Jinping's crackdown on tech groups, Ma often gave lively speeches at the annual year-end bash of the General Association of Zhejiang Entrepreneurs, which he helped found in 2015.

The association is China's most prominent networking group for founders, helping Zhejiang's legions of entrepreneurs connect with each other throughout the country and around the world. The eastern province is known as China's hotbed of capitalism.

But the Zhejiang group said on Wednesday that it had transitioned Ma to a new role as "adviser", replacing him with Nan Cunhui, chair of Chint Group, an energy solutions provider.

Ma has recently been living in Tokyo as he rides out stricter Covid-19 control measures at home and Beijing's tougher stance on tech groups.

He did not attend the Zhejiang event this year, two people involved with the group said.

The billionaire has mostly disappeared from public view since giving an ill-timed speech in Shanghai two years ago, criticising the country's state-owned banks and lobbying for regulators to show a lighter touch on overseeing new financial operators such as his own Ant Group.

The speech led Xi to cancel Ant's blockbuster $37bn initial public offering and demand a complete overhaul of the fintech group, which remains in process. It also triggered the crackdown on China's tech groups and influential businessmen such as Ma.

The moves extended to Ma's elite business school Hupan University, which has largely been forced to curtail its activities.

The two people close to the Zhejiang business group said that the association had been weighing replacing Ma ever since Ant's troubles began, but had decided to wait until the furore around him settled down. One of the people said the local government had increased its control and oversight of the business group, to the point that it was now just an "arm of the government".

The irreverent tone of its annual meeting has also been tempered. "Even without Alibaba, a lot of the traditional retail industry would have collapsed — we just sped up your fall," Ma told his fellow entrepreneurs at the group's third annual meeting.

Another year, he told his peers that his epitaph should read: "Hangzhou guy, loved Tai Chi, did a lot of things and set up an enterprise on the way."

In contrast, the headline speaker for this year's affair was Qiu Qiwen, a top Communist party official in Zhejiang.

The group must "completely implement the spirit of General Secretary Xi Jinping's important exposition on the development of the private economy," he told attendees, according to a post on the Zhejiang Entrepreneur's WeChat social media account.

"You must strengthen your political understanding and lead the broad masses of Zhejiang entrepreneurs to follow the party."

Technology

Pentagon $9bn cloud contract shared out to Big Tech quartet

FELICIA SCHWARTZ — WASHINGTON
PATRICK MCGEE — SAN FRANCISCO

The Pentagon has split a $9bn contract for cloud services between Google, Oracle, Amazon and Microsoft, a year after scrapping a previous contract that was marred by claims of political interference by the Trump administration and bogged down by legal challenges.

The Joint Warfighting Cloud Capability succeeds the Joint Enterprise Defense Infrastructure, which aimed to build a large common commercial cloud for the Department of Defense.

While the Trump administration wanted to concentrate the cloud computing programme under one provider, the Biden administration elected to parcel it out to several groups.

The project is estimated to be completed by June 2028, according to a statement from the Pentagon. The Joint Warfighting Cloud Capability "will provide the DoD the opportunity to acquire commercial cloud capabilities and services directly from the commercial cloud service providers at the speed of mission, at all classification levels", the Pentagon said. The DoD had initially awarded the contract to Microsoft in October 2018, but legal challenges delayed its implementation.

Last summer the Pentagon cancelled the initial Jedi contract, saying it no longer met its needs because of changing requirements and industry improvements and that it would seek proposals from additional companies.

Amazon had accused Trump of putting pressure on the Pentagon to "screw" its founder, Jeff Bezos, and award the contract to its rival because of the former president's personal animus. Oracle had claimed the single-vendor contract was unfair, while Google had withdrawn its bid in 2018 following a staff outcry for working with the DoD.

Financials

Blackstone chief rejects concerns over $69bn real estate fund

ANTOINE GARA — NEW YORK

The head of Blackstone has spoken out for the first time since the investment group restricted withdrawals from a $69bn property fund, linking a spate of redemptions to investors facing stress in Asia.

The outlook for the Blackstone Real Estate Income Trust, or Breit, has riveted Wall Street after the group limited withdrawals last week. Blackstone's stock has slid more than 10 per cent since the announcement.

But Blackstone chief executive Stephen Schwarzman disputed the idea that the restrictions reflected problems at the fund, which has $125bn of assets mostly invested in warehouses and apartments in the US when accounting for leverage.

"The idea that there is something going wrong with this product because people are redeeming is conflating completely incorrect assumptions," Schwarzman said at an industry conference this week. "This was not meant to be a mutual fund with daily liquidity. These are pieces of real estate."

He confirmed that many of the redemption requests came from Asia, where investors tend to use more borrowed money to back positions and needed to raise cash to meet margin calls when markets soured earlier this year. Those investors faced "excruciating financial pressure", Schwarzman said.

Blackstone limited investor withdrawals from Breit after breaching monthly and quarterly limits on redemptions. The announcement has cast doubt on the future expansion of the fund, which has grown quickly in recent years and accounts for a fifth of the group's fee-based earnings.

Breit was launched in 2017 as a way for wealthy investors to gain access to its real estate investment platform and offer them the same ability as large institutions to diversify away from public markets.

As a trade-off, they would have to accept giving up some liquidity rights. The fund allows for 2 per cent of total assets to be redeemed by clients each month, with a maximum of 5 per cent allowed in a calendar quarter.

In October, Breit received $1.8bn in redemption requests, or 2.7 per cent of its net asset value, and has received redemption requests in November and December exceeding the quarterly limit. It fulfilled 43 per cent of redemption requests it received for November. Investors will be allowed to redeem just 0.3 per cent of the fund's net assets this month.

Schwarzman acknowledged Breit could face continued pressure and slower inflows amid rising market volatility.

Legal Notices

With regards to the proposed reduction of the share capital of the company GUNVOR GROUP LTD (HE 279934)
It is hereby given notice that on 06/12/2022, the company GUNVOR GROUP LTD (HE 279934) filed an application to seek court approval to reduce its share capital and share premium account, on the basis of the special resolution of the shareholders approving the proposed reduction dated 05/12/2022.
Any interested party wishing to support or object to the issuance of a court order on the basis of the above application may contact the Applicants' lawyers, details contained below, by December 19, 2022, the latest.
I.K. KOUPPAS & CO LLC,
Advocates of the Applicant
Deliyianni 11, Floor 1, Office 101, 2023 Strovolos, Nicosia.
Tel.: +357 99353285

Den norske Bank
US$280,000,000
Primary Capital Perpetual Floating Rate Notes
In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 30 November 2022 to 28 February 2023 the Notes will carry an Interest Rate of 5.00% p.a. and the Coupon Amount per US$10,000 will be US$125.00
Citibank Agency & Trust
9 December 2022
citi

Fixed income. Monetary policy

Bond signals point to Fed standing firm in battle against inflation

US yield curve most inverted since 1981 in sign that investors detect recession on horizon

KATE DUGUID — NEW YORK

The gulf between short- and long-term US borrowing costs is at its widest since 1981 in a sign that investors expect the Federal Reserve to stay the course in the battle to tame inflation, even as recession worries mount.

The two-year Treasury yield traded on Wednesday at 4.2 per cent while the 10-year yield stood at 3.4 per cent, bringing the difference between the two to 0.84 percentage points.

The pattern known as a yield curve "inversion" has preceded every US economic downturn of the past 50 years.

The deepening of the inversion comes after a report last week showing the US economy continued adding jobs at a robust pace in November and an important survey indicating activity in the vast services sector is continuing to grow rapidly.

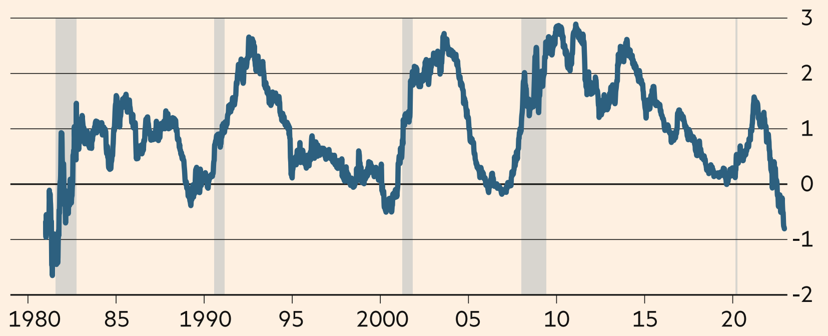
While the data paint an upbeat picture of the state of the economy, some investors are worried that it will also encourage the Fed to keep pushing interest rates higher next year after taking them from near zero to a range of 3.75 to 4 per cent so far in 2022.

Higher borrowing costs, in turn, are expected to heap pressure on the economy and potentially trigger a recession.

"The market had been betting that the Fed would be forced to slow down," said Edward Al-Hussainy, a senior analyst at Columbia Threadneedle. "The past year has taught us that the market has been wrong over and over again on this assumption."

US bond market flashes warning sign

Gap in two- and 10-year Treasury yields (percentage points)



Shaded area=US recession
Source: Bloomberg

Shifts in the US bond market also show investors moving more in alignment with what the Fed has said it expects for the coming year.

Though the yield curve has been flattening all year, it bounced off of lows in late November and investors last week began pricing in two interest rate cuts by the end of 2023, both indicating a loosening in monetary policy.

This gap between the Fed and the market was especially evident after a speech by chair Jay Powell last week in which he signalled that, although the US central bank would slow its pace of rate increases at its December meeting, it would do so to allow rates to remain higher for longer. Markets focused on the first piece and not the second.

After the release on Friday of the US jobs report, however, the steepening move in the yield curve unravelled, though rate cuts next year are still priced in.

Futures markets currently suggest the "terminal" federal funds rate — or the peak in this cycle — will be about 5 per cent in May from expectations of as low as 4 per cent in September.

"The [November] payrolls report reminded us that the job market remains in a very good place and we're expecting to see that reflected in a higher terminal rate in the dots," said Ben Jeffery, a US rates strategist at BMO Capital Markets, referring to the Fed's quarterly poll of officials on where the economy and monetary policy will be in the years ahead — also known as the "dot plot".

The next dot plot will be released at the Fed's December meeting.

The most basic signal sent by the yield curve inversion is that investors believe the Fed's increases in short-term rates will be successful in sharply slowing inflation.

The magnitude of this inversion then reflects both the dramatic pace of rate increases and the fact that the Fed has stuck with that pace even as investors have shifted their expectations on inflation and growth.

"We think the shape of the yield curve is a measure of the extent to which monetary policy can tighten and the market clearly thinks that tightness is going to persist for quite some time," said Mark Cabana, head of US rates strategy at Bank of America.

Fast ride: the Fed's rapid rise in short-term rates will be successful in sharply slowing inflation, investors are betting
Samuel Corum/Bloomberg

Jonathan Cohn at Credit Suisse added that the deepening yield curve inversion suggests investors believe the Fed is committed to "inflation moderation even if it must sacrifice forward-looking growth or recession".

In a December survey conducted by the Initiative on Global Markets at the University of Chicago Booth School of Business in partnership with the Financial Times, 85 per cent of economists said they expected the National Bureau of Economic Research — the arbiter of recession in the US — will declare one by next year.

Though the yield curve has been a reliable indicator of recession, the information conveyed by the depth and extent of the inversion is up for debate.

"The inverted yield curve is actually a pretty good signal of recession, without providing information as to its depth or severity," said Guy LeBas, chief fixed income strategist at Janney Montgomery Scott.

"In this case, the inversion is probably telling us more about inflation and the direction of inflation risks than the depths or severity of a recession," he added.

While strategists such as LeBas argue that the degree of the yield curve inversion may not directly predict the extent of the coming recession, the current deepening could have broader ramifications if it leads to changes in investor behaviour.

> 'The more important aspect of the yield curve is what it does to risk-taking'

"The more important aspect of the yield curve is what it does to risk-taking," said Gregory Peters, co-chief investment officer for fixed income at PGIM. "It's a self-reinforcing mechanism."

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Financials

Regulators call for 'urgent action' on clearing houses and insurers

LAURA NOONAN — BASEL
PHILIP STAFFORD AND IAN SMITH
LONDON

The world's most powerful group of global financial policymakers has called for "urgent work" to address gaping holes in regimes to deal with failing clearing houses and insurers whose operations stretch across borders.

The Financial Stability Board, comprising central bank governors and regulators from 24 large economies, issued their call to action days after the global convening body for central banks warned that risks in shadow banks could force more bailouts and fuel runaway inflation.

After a decade of low interest rates, global markets have been jolted this year by soaring consumer prices.

Central banks are curbing asset purchases and aggressively raising rates, and authorities fear violent moves could be amplified in the non-bank financial sector, which has taken a greater share of market activity since the financial crisis.

Already this year, the nickel market in London was forced to temporarily close and European energy groups bailed out, underscoring how sudden price moves in one asset can provoke a vicious loop of margin calls and forced sales.

"As the 15-year anniversary of the global financial crisis is on the horizon

> 'As the 15-year anniversary of the global financial crisis is on the horizon, it's critical to avoid complacency'

in the coming year, it is critical to maintain momentum and avoid complacency," the FSB said, noting that, while the banking sector risks that triggered the 2008 crisis had been largely dealt with, other risks had not been tackled in such detail.

The FSB highlighted the work on clearing houses and insurers as the two most urgent areas in need of attention, although the scope of the work excluded other parts of the ballooning shadow banking sector such as funds and crypto, where policymakers have also noted the need for action.

The global body said there had been insufficient progress on the development of living wills — pre-made plans to wind down important financial entities — for clearing houses, which insulate the market from contagion if there is a default.

Last month, the London Metal Exchange said it was forced into closing the nickel market in March to prevent surging nickel prices from blowing a hole in a stability fund that provides a layer of market protection, an event that could have cascaded across the financial system.

"The FSB has been considering the costs and benefits of potential alternative financial resources and tools for [clearing house] resolution, alongside a comparison to existing resources," the FSB said yesterday.

Asset management

Investors jettison European equity ETFs to reverse last year's inflows

STEVE JOHNSON

Investors have unwound last year's purchases of European equity exchange traded funds amid deepening gloom as to the continent's prospects.

They pulled a net $1.7bn from European equity ETFs in November, puncturing two months of relative calm, according to data from BlackRock.

The resumed selling has taken net outflows from the sector since March to a cumulative $27bn, reversing inflows of $27.2bn witnessed during 2021.

The outflows are striking, given that money has continued to pour into ETFs focused on US and emerging market equities and that there is a structural "bid" for ETFs that is seizing market share from more traditional mutual funds at an ever-accelerating pace.

The exodus from European stocks has come despite the continent's bourses outperforming on a relative basis this year.

The pan-eurozone Stoxx Europe 50 index is down 9.6 per cent year to date, a more muted loss than the 17.8 per cent fall in the S&P 500 and 21 per cent slide in the MSCI Emerging Markets index, although the euro's 6.8 per cent decline against the dollar will have worsened the picture for US-based investors.

Despite this, sentiment towards Europe remains grim — particularly among the foreign investors that led the charge into the continent last year.

"Because of developed Europe's proximity to Ukraine, international investors have avoided Europe," said Peter Sleep, senior portfolio manager at 7 Investment Management. "Economically, the impact of high gas prices and the higher likelihood of a recession has deterred investors."

The exit from European stocks has come despite bourses outperforming

Todd Rosenbluth, head of research at VettaFi, said: "US investors have more of a home bias than they have had in recent years because of the global economic challenges. There is an investor perception that the European recession will be deeper than in the US. There is greater confidence in a recovery in emerging markets than developed non-US markets."

VettaFi's own data suggest the picture is nuanced, however.

Among US-listed Europe-focused ETFs, some single-country funds, such as iShares MSCI UK ETF (EWU) and iShares MSCI France (EWQ) have taken in money this year — $594mn and $317mn, respectively — while the sister iShares MSCI Germany ETF (EWG) has shipped $550mn.

"US investors are taking a broader perspective on investing in the US as opposed to a more targeted appetite across Europe," Rosenbluth said.

"The UK has seen some inflows," said Karim Chedid, head of investment strategy for BlackRock's iShares arm in the Emea region.

Equities

US fund managers cross Atlantic to buy shares in out-of-favour oil supermajors

NICHOLAS MEGAW AND DEREK BROWER
NEW YORK

European oil companies are attracting US investors who view them as cheap compared with the likes of ExxonMobil and Chevron after a furious rally in Wall Street energy stocks.

The valuation gap between European and US supermajors is luring investors who do not usually invest in Europe.

BP recently became the second-largest holding at BlackRock's $19bn US equity dividend fund, for example.

The trend comes as some European fund managers avoid oil companies on environmental grounds.

"Investors in the US are more amenable to energy investments than [fund managers] in Europe," said Tony DeSpirito, BlackRock's chief investment officer for US fundamental equities, who manages the equity dividend fund.

Shares in European supermajors are trading at less than half the value of their US rivals when measured as a multiple of their expected profits over the next 12 months.

Analysts at JPMorgan Chase said the spread had become "extreme".

The share prices of most global energy producers have gained this year as high oil and natural gas prices drive bumper profits but performance has diverged between the regions.

The S&P 500 energy sub-index is up 53 per cent in 2022 — more than double the 18 per cent rise of Europe's Stoxx 600 energy sub-index.

Energy stocks have continued to outperform despite a recent reversal in oil prices with Brent falling below $80 a barrel to its lowest levels of the year.

> 'Investors are clear what Exxon and Chevron do. It's not so clear to them what BP and Shell want to do'

Analysts said the resilience partly reflected unexpected strength in the price of natural gas and prices of longer-dated oil futures that have dropped less than spot prices.

US energy companies' rebound comes after years of underperformance that hit a low point when oil prices collapsed early in the coronavirus pandemic.

ExxonMobil reported its first annual loss in more than a century in 2020 but bounced back with record profit of nearly $20bn in the third quarter this year.

In Europe, companies have been hampered by a weaker economy, political risks such as windfall taxes and threats like a court ruling that forced Shell to revise its strategy last year.

Some investors have also questioned European producers' greater emphasis on diversifying away from oil and gas with new clean energy businesses.

"Investors are saying, 'You're good at producing oil, not building wind farms'," said Andrew Gillick, energy sector strategist at Enverus, a consultancy. "Investors are very clear about what Exxon and Chevron do. It's not so clear to them any more what BP and Shell want to do."

At the same time, some European asset managers have screened out oil groups based on environmental, social and governance criteria.

"In Europe, the shareholder base is less friendly to oil and gas companies," said Fred Fromm, a portfolio manager at Franklin Templeton.

The day in the markets

What you need to know

- **Wall Street stocks snap five-session losing streak to nudge higher**
- **US Treasuries sell off and continue to flash warning signs of a slowdown**
- **Hong Kong shares rally as territory loosens Covid testing requirements**

US stocks rose yesterday, reversing some of this week's decline, as investors briefly overcame worries about the impact of extended high interest rates on the US economy.

Wall Street's benchmark S&P 500 gained 0.8 per cent and the tech-heavy Nasdaq Composite rallied 1.1 per cent in afternoon dealings in New York.

Across the Atlantic, the pan-regional Stoxx Europe 600 and London's FTSE 100 fell 0.2 per cent.

The S&P 500 had fallen for the previous five consecutive days as stronger than expected jobs and services sector data have chipped away at investors' conviction about the direction of the US Federal Reserve's interest rate rises.

"Just last week, the market was coming around to the possibility that the Fed might actually pull off the fabled soft landing but recently the market is returning to the belief that a recession is likely," said Mike Zigmont, head of trading and research at Harvest Volatility Management.

"I think this back-and-forth thinking is simply a product of uncertainty and the year-long bear market," Zigmont added.

The Treasury market sold off yesterday and continues to flash warning signs of a slowdown in economic growth with the gap between short- and long-term US borrowing costs at its widest point since 1981.

The two-year Treasury yield added 4 basis points to 4.29 per cent while the 10-year yield rose 6bp to 3.47 per cent.

Hong Kong stocks reversed some of their steep falls from the previous session as the territory followed China in easing some Covid-19 restrictions.

The Hang Seng gained 3.4 per cent after a fall of 3.2 per cent in the previous session but the index remains on track for its biggest quarterly rise since the final three months of 2020.

Mainland China stocks were more muted with the CSI 300 of Shanghai- and Shenzhen-listed shares flat.

Investors were buoyed by a report of more easing of Hong Kong's Covid curbs.

"On the one hand, you've had this almost euphoric reaction to the easing of Covid restrictions in China and more support for the property sector," said Mitul Kotecha, head of emerging markets strategy at TD Securities. "But there are still constraints here over the efficacy of vaccines, over ICU capacity, on the number of unvaccinated, which suggest we could have slower progress than markets are predicting." **George Steer**

Hong Kong stocks bounce
Hang Seng index ('000)

Source: Refinitiv

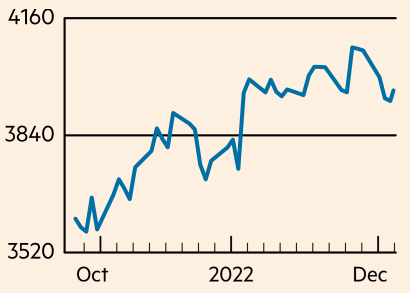
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	3962.70	1721.34	27574.43	7472.17	3197.35	107725.88
% change on day	0.73	-0.14	-0.40	-0.23	-0.07	-1.23
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	105.048	1.055	136.495	1.222	6.974	5.212
% change on day	-0.049	0.476	-0.154	0.164	-0.071	-0.116
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.472	1.811	0.251	3.088	2.909	12.508
Basis point change on day	1.340	3.100	0.150	4.600	0.400	6.700
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	409.48	77.34	72.71	1782.20	22.39	4073.00
% change on day	0.68	0.22	0.97	0.47	-0.69	0.82

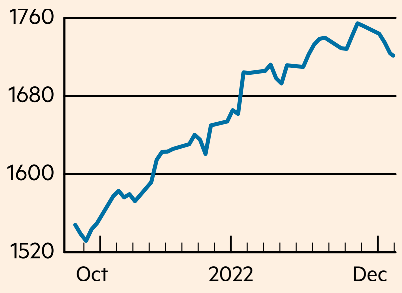
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

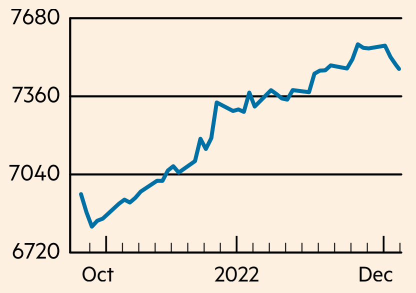
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	State Street	8.19	Swatch	2.31	Haleon	3.42
	Campbell Soup	6.02	Novozymes	2.29	Rio Tinto	2.92
	Bank Of New York Mellon	4.13	Stmicroelectronics	2.26	Fresnillo	2.22
	Svb Fin	4.00	Arcelormittal	2.14	Pershing Square Holdings Ltd	1.94
	Solaredge	3.95	Saipem	2.08	Hargreaves Lansdown	1.84
Downs	M&t Bank	-7.72	Kbc	-3.82	Frasers	-8.99
	Brown-forman	-7.30	Grifols	-3.03	London Stock Exchange	-6.44
	Expedia	-6.32	Wartsila	-2.67	Intermediate Capital	-4.89
	Loln National	-5.54	Philips	-2.53	Bt	-3.72
	American Airlines	-5.44	Telefonica	-2.42	Airtel Africa	-3.63

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone

All data provided by Morningstar unless otherwise noted.

Wall Street

Networking equipment group **Ciena** surged after delivering an earnings beat owing to "some favourable supply chain developments in the second half of the quarter", said Gary Smith, chief executive.

For its fiscal fourth quarter, earnings rose to 61 cents per share, blowing past the 8 cents that Wall Street had expected.

Smith forecast further outperformance next year, expecting "outsized revenue growth . . . given our significant backlog and continued signs of gradual supply improvement".

Forecast-beating results boosted **Rent the Runway**, the ecommerce platform that allows users to hire and buy designer clothes.

Revenue climbed 31 per cent year on year to $77.4mn, topping analysts' estimates of $72.9mn, while its net loss narrowed to $36.1mn, down from $87.8mn a year earlier.

Full-year revenue guidance was also raised as co-founder Jennifer Hyman said that the group's restructuring plan was "substantially complete".

A planned reduction in its overheads sent **Blue Apron** rallying, with the meal-kit delivery group announcing a 10 per cent cut to its workforce.

In order to "create a more nimble, focused organisation", Blue Apron said that it had identified reductions totalling $50mn for next year. *Ray Douglas*

Europe

Paris-listed **OL Groupe**, the parent group of Olympique Lyonnais, jumped on announcing that progress had been made in its upcoming sale.

Sports newspaper L'Equipe said that back in September, US investor John Textor was getting help from a financier in his bid to buy the Ligue 1 football team.

Textor, a majority shareholder of Eagle Football, told the club that he now had "secured all financings necessary for the completion of the transaction".

Textor told OL: "We . . . feel confident that we have secured the approval in principle from all parties for the contribution to Eagle Football of my various football interests across the UK, Brazil and Belgium."

A heavily discounted private placement sent **Nordic Unmanned** to an all-time low.

The drones and data capture group issued 11.6mn shares at NKr6 each, which was almost 40 per cent below Wednesday's adjusted closing price.

Another capital increase was behind a steep slide in **Carmat**, a bioprosthetic group that is developing artificial hearts.

It raised about €31mn gross through the issuance of almost 3mn shares at €10.50 each — a 19.8 per cent discount to Wednesday's closing price.

Some of the proceeds would go towards the "ramp-up" of sales of its artificial heart, it said. *Ray Douglas*

London

High street retailer **Frasers Group** sank to the bottom of the FTSE 100 index despite a 13 per cent rise in half-year revenue as shoppers tightened their belts.

Overshadowing the update were remarks about the "clearly challenging" macroeconomic environment, with Frasers warning that the backdrop for 2023 was "hard to predict with any certainty". Richard Chamberlain of RBC Capital Markets flagged up "execution risk" in reference to recent acquisitions that include Savile Row tailor Gieves & Hawkes. "It may be challenging [for Fraser] to scale its luxury offer outside of regional UK cities," warned the analyst.

News of the departure of **On the Beach's** founder and chief executive weighed on the travel retailer, which said that Simon Cooper would be stepping down to be replaced by its chief financial officer, Shaun Morton.

The announcement damped the mood, said Russ Mould, investment director at AJ Bell, who praised the group's "highly successful strategy, particularly before the pandemic intervened".

Telecoms group **BT** retreated following a report that its pension scheme could require more cash "support".

The scheme said it had become "more cautious" in how it managed liquidity after this year's turmoil over liability-driven investing strategies. *Ray Douglas*

SEC must drop its costly plans for fund names

Susan Olson

Markets Insight

Names can be a beginning, yet they can only describe so much. To make investment decisions, an accurate description of the product is far more important than the name alone. It's like choosing a movie based on its title: do you simply look at the name or do you watch the trailer first?

For 20 years, the US Securities and Exchange Commission has required regulated funds to have a name that is not misleading.

For example, funds with names that suggest specific types of investments, industries or geographic regions, such as "healthcare" or "Europe", must hold at least 80 per cent of their assets accordingly. This makes sense.

The SEC now wants to expand this 80 per cent rule to cover names that reference certain investment strategies, such as "growth", "value" or "ESG" for funds that focus on environmental, social and governance factors. These are subjective terms.

The difference in how leading index providers identify value stocks illustrates how experts can see the same investment differently.

For Russell, its criteria are based on relatively low book value-to-price ratio. S&P's criteria add earnings-to-price ratios and sales-to-price. MSCI starts with book value-to-price ratio and adds 12-month projected earnings per share, as well as dividend yield.

The same strategy by name is described and executed in various ways, giving investors choice. Clearly the word "value" alone cannot fairly explain that investment strategy.

The risk is that the SEC places itself as a fund labeller and final arbiter, inviting itself into the management of funds.

While a manager would make their own definition of a strategy such as value, the SEC could question whether the securities held actually meet the declared description for the fund.

It could then push those holdings into an arbitrary 30-day rebalancing timeline, overriding the investment judgment of the fund manager.

The SEC is missing the bigger picture. A reasonable investor or adviser doesn't expect a fund's name to spell out everything necessary to know before investing. Our research shows that nine in every 10 investors consider important information like a fund's investment objective and risk before deciding to invest. Some 90 per cent of investors consider performance, and 87 per cent consider fees too.

> The risk is the regulator places itself as labeller and final arbiter, inviting itself into fund management

The rule would bring enormous costs — up to $5bn, according to the SEC. Our data show that the regulator drastically understated costs associated with the new rule. The SEC failed to fully consider the magnitude and complexity of new compliance costs, which go far beyond those of the existing regime.

For example, they didn't consider the costs of redesigning systems, purchasing new data, reworking system interfaces and designing automated processes for subjective terms.

There's also the increased use of a broad swath of staff to operate these systems. Daily monitoring for compliance with the 80 per cent is a huge endeavour. It brings onerous new record-keeping processes with it.

Fund managers may even have to decide quickly whether to sell a well-performing stock simply to satisfy the blunt, 30-day regulatory timeline to stay within investment requirement.

You could see that happen when a successful "small-cap" business grows into a "mid-cap company". Imposing a regulatory judgment on portfolio management isn't what investors want or expect. It could compel funds to sell positions quickly, possibly at fire sale prices or during market volatility. This would ultimately harm investors.

Unduly emphasising names could lead to generic labels such as "Fund Six", or overly detailed names with multiple words. These are poor outcomes driven solely by the re-imagination of this rule.

What's the goal here? There's no slew of enforcement cases or investor lawsuits about misleading names.

Fund names aren't even on the SEC's list of examination priorities. It's yet another ill-considered regulatory proposal dreamt up and pushed out by the current SEC leadership.

The fund industry wholeheartedly believes that truth in labelling is critical. We want investors to understand what they are investing in.

However, the SEC's proposal to change the names rule isn't the solution. It doesn't help get investors the information they need to understand a fund.

The SEC should be encouraging investors to watch the movie rather than rating it based on the title. Now is the time to abandon this nonsensical proposal.

Susan Olson is general counsel of the Investment Company Institute

FT NEWS SCHOOL

TO THE FT NEWS SCHOOL UK 2022 GRADUATES, CONGRATULATIONS

We have been inspired by every one of you. Last month, we launched News School, a nightly education programme designed to give young people from a variety of backgrounds an opportunity to learn about the news and media industry. The representation of young people from diverse backgrounds entering the industry is disproportionately low. We want to address this issue and ensure we're representative of the communities we serve.

We are proud to congratulate our class of FT News School UK 2022.

Tamara Igbinokpogie, Dawid Ostrowski, Erin Donnelly, Xavier Tsouroulla, Lucy Snell, Sanskriti Bacchu, Teguan Harris, Harry James Relf, Katelyn McComb, Eden Heath, Alex Falkenberg, Ijeoma Chuku, Saarah Moosa, Catherine Bellingham, Marie Anne Moore Osorio, Harriet Nolan, Chloe Sharkey, Bethel Oluwagbemiga Olujobi, Gaia Carlotta Giulio, Oseremen Paula Osemhanre, Jannat Anwar, Hillary Boye Doku, Kristina Wemyss

Thank you to Career Ready, ERIC, Digilearning and iRxcruit.

Thank you to all our guest speakers from the Financial Times, Google, The Golin Group, Tortoise Media, Sub Stack, UnblockYourBlock and Crowd Potential Consulting Group.

18+

WHAT IS AVAXHOME?

AVAXHOME-

the biggest Internet portal, providing you various content: brand new books, trending movies, fresh magazines, hot games, recent software, latest music releases.

Unlimited satisfaction one low price
Cheap constant access to piping hot media
Protect your downloadings from Big brother
Safer, than torrent-trackers

18 years of seamless operation and our users' satisfaction

All languages
Brand new content
One site

AVXLIVE.ICU

AvaxHome - Your End Place

We have everything for all of your needs. Just open https://avxlive.icu

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

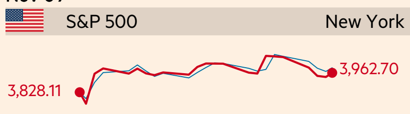
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.73%	1.08%	0.66%	-0.23%	-0.14%	-0.40%	3.38%	0.68%	0.476%	0.164%	-0.154%	0.232%	4.11%	0.47%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

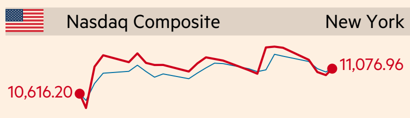
Nov 09 - - — Index — All World

S&P 500 New York



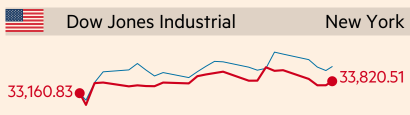
Day 0.73% Month 3.51% Year -15.71%

Nasdaq Composite New York



Day 1.08% Month 4.34% Year -29.83%

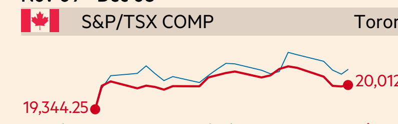
Dow Jones Industrial New York



Day 0.66% Month 1.99% Year -5.41%

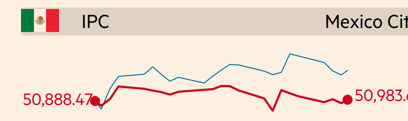
Nov 09 - Dec 08 — Index — All World

S&P/TSX COMP Toronto



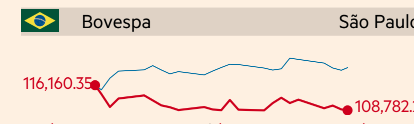
Day 0.12% Month 1.72% Year -5.12%

IPC Mexico City



Day 0.06% Month -0.26% Year -0.59%

Bovespa São Paulo

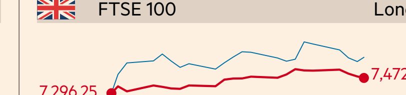


Day -1.23% Month -7.20% Year -0.27%

EUROPE

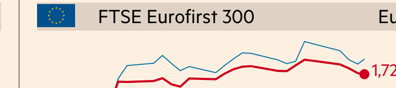
Nov 09 - Dec 08 — Index — All World

FTSE 100 London



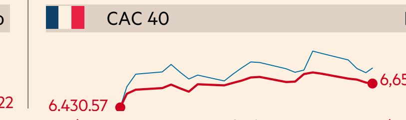
Day -0.23% Month 1.98% Year 1.95%

FTSE Eurofirst 300 Europe



Day -0.14% Month 3.41% Year -7.04%

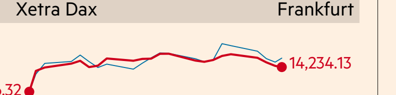
CAC 40 Paris



Day -0.20% Month 3.60% Year -5.92%

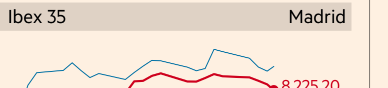
Nov 09 - Dec 08 — Index — All World

Xetra Dax Frankfurt



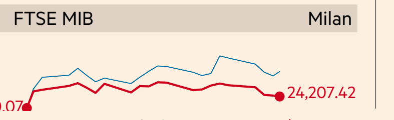
Day -0.19% Month 7.40% Year -9.96%

Ibex 35 Madrid



Day -0.79% Month 3.30% Year -3.91%

FTSE MIB Milan

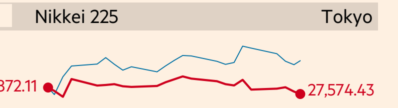


Day -0.14% Month 4.06% Year -10.72%

ASIA

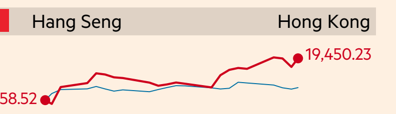
Nov 09 - Dec 08 — Index — All World

Nikkei 225 Tokyo



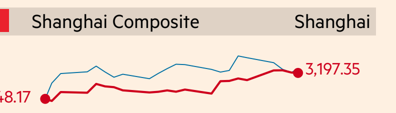
Day -0.40% Month 0.15% Year -3.11%

Hang Seng Hong Kong



Day 3.38% Month 17.15% Year -18.94%

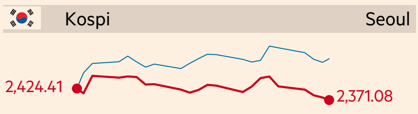
Shanghai Composite Shanghai



Day -0.07% Month 3.88% Year -11.06%

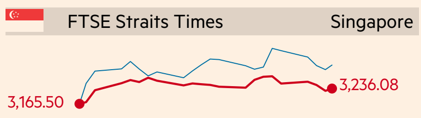
Nov 09 - Dec 08 — Index — All World

Kospi Seoul



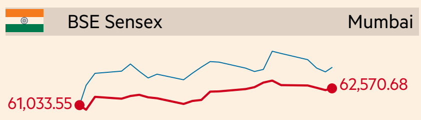
Day -0.49% Month -0.03% Year -20.75%

FTSE Straits Times Singapore



Day 0.33% Month 3.17% Year 3.39%

BSE Sensex Mumbai



Day 0.26% Month 2.27% Year 8.57%

Country	Index	Latest	Previous
Argentina	Merval	171100.68	167043.03
Australia	All Ordinaries	7369.40	7423.20
	S&P/ASX 200	7175.50	7229.40
	S&P/ASX 200 Res	6037.00	6124.60
Austria	ATX	3160.38	3161.42
Belgium	BEL 20	3692.60	3706.62
	BEL Mid	9421.13	9350.94
Brazil	IBovespa	107725.88	109068.55
Canada	S&P/TSX 60	1210.82	1209.85
	S&P/TSX Comp	19996.37	19973.22
	S&P/TSX Div Met & Min	1501.43	1520.84
Chile	S&P/CLX IGPA Gen	27779.11	27905.69
China	FTSE A200	10499.24	10488.14
	FTSE B35	9000.71	8988.96
	Shanghai A	3351.40	3353.73
	Shanghai B	290.15	290.83
	Shanghai Comp	3197.35	3199.62
	Shenzhen A	2159.70	2166.66
	Shenzhen B	1153.62	1162.99
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1170.60	1177.64
Denmark	OMXC Copenahgen 20	1796.63	1805.09
Egypt	EGX 30	14787.05	14498.29
Estonia	OMX Tallinn	1771.97	1770.92
Finland	OMX Helsinki General	11038.10	11233.43
France	CAC 40	6647.31	6660.59
	SBF 120	5098.00	5106.23
Germany	M-DAX	25263.08	25627.99
	TecDAX	3028.01	3048.21
	XETRA Dax	14234.13	14261.19
Greece	Athens Gen	915.00	910.29
	FTSE/ASE 20	2218.59	2205.86
Hong Kong	Hang Seng	19450.23	18814.82
	HS China Enterprise	6666.77	6432.95
	HSCC Red Chip	3582.44	3529.58
Hungary	Bux	43842.37	44614.88
India	BSE Sensex	62570.68	62410.68
	Nifty 500	15911.10	15862.00
Indonesia	Jakarta Comp	6804.23	6818.75
Ireland	ISEQ Overall	7171.92	7200.68
Israel	Tel Aviv 125	1881.37	1903.11
Italy	FTSE Italia All-Share	26252.10	26259.35
	FTSE Italia Mid Cap	39751.69	39702.48
	FTSE MIB	24207.42	24241.35
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	27574.43	27686.40
	S&P Topix 150	1668.31	1675.01
	Topix	1941.50	1948.31
Jordan	Amman SE	2502.61	2506.93
Kenya	NSE 20	1640.54	1639.19
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1134.61	1137.09
Lithuania	OMX Vilnius	955.33	952.29
Luxembourg	LuxX	1493.91	1486.23
Malaysia	FTSE Bursa KLCI	1465.93	1466.88
Mexico	IPC	50757.01	50725.96
Morocco	MASI	11291.05	11248.58
Netherlands	AEX	719.83	718.34
	AEX All Share	982.79	979.70
New Zealand	NZX 50	11617.14	11610.99
Nigeria	SE All Share	48426.49	48366.69
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	41819.29	41539.94
Philippines	Manila Comp	6525.16	6674.38
Poland	Wig	55735.83	55983.89
Portugal	PSI 20	5745.57	5799.67
	PSI General	4418.92	4458.44
Romania	BET Index	12152.46	12228.85
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	10185.14	10444.27
Singapore	FTSE Straits Times	3236.08	3225.45
Slovakia	SAX	341.88	341.88
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	74467.26	74011.12
	FTSE/JSE Res 20	73812.16	73203.78
	FTSE/JSE Top 40	68281.75	67863.45
South Korea	Kospi	2371.08	2382.81
	Kospi 200	308.24	308.27
Spain	IBEX 35	8225.20	8290.50
Sri Lanka	CSE All Share	8881.34	8843.75
Sweden	OMX Stockholm 30	2088.43	2111.28
	OMX Stockholm AS	799.43	807.28
Switzerland	SMI Index	11004.53	11009.95
Taiwan	Weighted Pr	14553.04	14630.01
Thailand	Bangkok SET	1620.49	1622.28
Turkey	BIST 100	4855.92	4855.92
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2495.30	2509.30
	FTSE 100	7472.17	7489.19
	FTSE 4Good UK	6734.64	6751.32
	FTSE All Share	4082.24	4093.68
	FTSE techMARK 100	6230.51	6254.81
USA	DJ Composite	11207.38	11140.09
	DJ Industrial	33820.51	33597.92
	DJ Transport	13862.85	13767.89
	DJ Utilities	974.82	972.78
	Nasdaq 100	11625.57	11497.39
	Nasdaq Cmp	11076.96	10958.55
	NYSE Comp	15411.15	15311.79
	S&P 500	3962.70	3933.92
	Wilshire 5000	39324.96	39020.67
Venezuela	IBC	16274.28	16114.48
Vietnam	VNI	1041.02	1048.69
Cross-Border	DJ Global Titans ($)	419.73	416.22
	Euro Stoxx 50 (Eur)	3922.69	3920.90
	Euronext 100 ID	1269.51	1268.60
	FTSE 4Good Global ($)	9734.08	9669.30
	FTSE All World ($)	409.48	406.72
	FTSE E300	1721.34	1723.75
	FTSE Eurotop 100	3400.34	3403.69
	FTSE Global 100 ($)	2509.64	2490.25
	FTSE Gold Min ($)	1740.34	1712.30
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2646.13	2656.71
	FTSE World ($)	741.81	737.54
	FTSEurofirst 100 (Eur)	4594.09	4601.86
	FTSEurofirst 80 (Eur)	5315.91	5321.54
	MSCI ACWI Fr ($)	616.22	618.82
	MSCI All World ($)	2654.34	2662.07
	MSCI Europe (Eur)	1755.20	1766.07
	MSCI Pacific ($)	2622.65	2638.06
	S&P Euro (Eur)	1752.29	1753.91
	S&P Europe 350 (Eur)	1764.51	1766.60
	S&P Global 1200 ($)	2954.05	2935.91
	Stoxx 50 (Eur)	3758.84	3756.75

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesla	146.1	174.04	-5.78
Apple	98.1	140.94	-1.97
Nvidia	59.9	161.20	1.33
Amazon.com	59.9	88.46	0.21
Microsoft	50.0	244.37	-0.75
Advanced Micro Devices	41.4	70.14	-0.13
Meta Platforms	32.6	113.93	-0.19
Alphabet	29.4	94.94	-2.04
Alphabet	25.1	95.15	-2.16
Netflix	23.9	308.42	2.86

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
State Street	80.45	6.09	8.19
Campbell Soup	56.18	3.19	6.02
Bank Of New York Mellon	44.61	1.77	4.13
Svb Fin	208.28	8.02	4.00
Solaredge	310.79	11.81	3.95
Downs			
M&t Bank	147.97	-12.38	-7.72
Brown-forman	68.27	-5.38	-7.30
Expedia	90.79	-6.12	-6.32
Loln National	35.28	-2.07	-5.54
American Airlines	13.55	-0.78	-5.44

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Shell	172.5	2309.50	-6.00
Unilever	151.1	4161.00	0.00
Glencore	139.9	548.60	8.30
Bp	139.6	463.95	-0.05
Astrazeneca	132.8	11316.00	58.00
Rio Tinto	126.7	5780.00	164.00
British American Tobacco	123.3	3305.00	-105.50
Gsk	110.3	1483.60	-8.80
Diageo	95.6	3776.00	-43.00
Vodafone	82.2	85.93	-1.73

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Aston Martin Lagonda Global Holdings	146.00	10.95	8.11
Wizz Air Holdings	2385.00	99.00	4.33
Ssp	230.80	8.10	3.64
Haleon	316.15	10.45	3.42
Redde Northgate	409.50	12.50	3.15
Downs			
Mitchells & Butlers	135.80	-15.40	-10.19
Frasers	814.50	-80.50	-8.99
London Stock Exchange	7380.00	-508.00	-6.44
Synthomer	120.90	-8.10	-6.28
Home Reit	47.00	-3.10	-6.19

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nestle N	470.7	110.82	0.16
Roche Gs	339.0	306.82	1.77
Novartis N	262.5	86.39	-0.49
Asml Holding	255.5	572.30	7.10
Allianz Se Na O.n.	247.2	203.65	0.25
Sap Se O.n.	222.8	102.44	-0.80
Siemens Ag Na O.n.	190.7	132.90	-0.86
Totalenergies	187.4	56.81	0.27
Stellantis	172.6	14.08	-0.40
Unicredit	169.4	12.55	-0.04

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Cs N	2.98	0.09	3.19
Prosus	64.38	1.86	2.98
Swiss Re N	87.55	1.54	1.79
Airbus	110.30	1.90	1.75
Roche I	376.15	5.27	1.42
Downs			
Kbc	54.86	-2.18	-3.82
Atlas Copco Ab Ser. A	11.80	-0.43	-3.53
Neste	47.04	-1.64	-3.37
Atlas Copco Ab Ser. B	10.70	-0.31	-2.81
Stellantis	14.08	-0.40	-2.76

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Softbank .	1098.3	6095.00	128.00
Toyota Motor	528.9	1938.50	-11.00
Fast Retailing Co.,	497.0	83620.00	-360.00
Tokyo Electron	463.1	44400.00	-420.00
Sony	435.2	10665.00	-210.00
Mitsubishi Ufj Fin,.	430.7	747.40	-8.40
Sumitomo Mitsui Fin,.	321.5	4629.00	-42.00
Nintendo Co.,	289.9	5706.00	-76.00
Nippon Yusen Kabushiki Kaisha	288.9	3035.00	43.50
Keyence	237.2	55430.00	-470.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Softbank .	6095.00	128.00	2.15
Daiichi Sankyo ,	4416.00	76.00	1.75
Sharp	1017.00	15.00	1.50
Nippon Yusen Kabushiki Kaisha	3035.00	43.50	1.45
J.front Retailing Co.,	1162.00	16.00	1.40
Downs			
Konami	6120.00	-170.00	-2.70
Minebea Co.,	2142.00	-50.00	-2.28
Taiyo Yuden Co.,	4235.00	-90.00	-2.08
Mitsui Eng & Shipbuilding Co.,	385.00	-8.00	-2.04
Sony	10665.00	-210.00	-1.93

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Dec 08 price(p)	%Chg week	%Chg ytd
Winners			
Haleon	316.15	7.9	-
Rolls-royce Holdings	91.39	5.1	-
Gsk	1483.60	4.8	-8.8
Associated British Foods	1654.50	4.2	-
Prudential	1058.50	4.2	-16.7
Rio Tinto	5780.00	3.3	18.2
Smith (ds)	313.00	3.0	-19.8
Antofagasta	1437.50	2.3	7.4
Smith & Nephew	1100.50	2.0	-
Bae Systems	831.40	2.0	51.7
Compass	1897.50	1.7	15.9
Ocado	675.80	1.7	-
Losers			
London Stock Exchange	7380.00	-10.8	7.9
Frasers	814.50	-9.0	4.8
Intermediate Capital	1157.00	-8.8	-
Bt	112.55	-6.6	-
Halma	2077.00	-6.4	-
Vodafone	85.93	-6.1	-
Airtel Africa	116.80	-5.4	-
Mondi	1462.00	-5.2	-
Bp	463.95	-5.2	39.9
M&g	181.50	-5.1	-9.4
Harbour Energy	302.30	-5.1	-
Spirax-sarco Eng	10830.00	-4.8	-

FTSE 250	Dec 08 price(p)	%Chg week	%Chg ytd
Winners			
Ferrexpo	164.90	11.1	-
Paragon Banking	512.50	10.4	-9.9
Ssp	230.80	9.9	-6.5
Redde Northgate	409.50	8.3	-7.0
Aston Martin Lagonda Global Holdings	146.00	7.4	-
Fidelity China Special Situations	239.00	6.9	-
Indivior	1786.00	4.9	39.5
Wizz Air Holdings	2385.00	3.7	-
Vinacapital Vietnam Opportunity Fund Ld	455.00	3.5	-
Bank Of Georgia	2590.00	3.2	59.3
Virgin Money Uk	176.75	3.0	-3.0
Balfour Beatty	337.00	2.7	28.5
Losers			
Moonpig	130.60	-19.1	-
Energean	1236.00	-17.0	42.7
Tullow Oil	37.22	-15.0	-
Ip	58.05	-13.7	-
Savills	829.50	-12.9	-
Darktrace	311.90	-12.3	-
Bridgepoint	187.30	-11.9	-
Victrex	1585.00	-11.9	-
Molten Ventures	371.80	-11.7	-
Ascential	201.00	-11.6	-
Telecom Plus	2220.00	-11.2	39.6
Trainline	299.00	-11.0	7.5

FTSE SmallCap	Dec 08 price(p)	%Chg week	%Chg ytd
Winners			
Foresight Holdings	435.00	20.8	3.1
Atrato Onsite Energy	91.00	13.4	-15.9
Topps Tiles	46.50	9.7	-
Hyve	69.50	8.8	-
Me Int	110.50	7.3	80.3
Saga	106.60	7.2	-
Baillie Gifford China Growth Trust	267.00	6.6	-
Augmentum Fintech	108.50	6.4	-30.8
Chrysalis Investments	79.70	5.7	-
Funding Circle Holdings	58.00	5.6	-
Anglo-eastern Plantations	823.00	5.5	20.2
Schroder Eur Real Estate Investment Trust	78.40	4.8	-
Losers			
Xaar	180.00	-13.5	0.0
Pollen Street	578.00	-11.1	-
Nanoco	38.00	-9.5	97.7
Robert Walters	544.00	-9.3	-
Riverstone Energy	650.00	-9.2	37.7
Hochschild Mining	65.50	-8.8	-
Trustpilot	93.65	-8.7	-72.7
Hunting	248.50	-8.5	55.0
Enquest	22.30	-8.4	19.4
Rank	86.00	-8.1	-
Esken	5.62	-7.7	-
Speedy Hire	38.50	-7.3	-

Industry Sectors	Dec 08 price(p)	%Chg week	%Chg ytd
Winners			
Automobiles & Parts	1401.50	3.5	-
Aerospace & Defense	5007.65	2.5	20.0
Pharmaceuticals & Biotech.	21250.65	2.3	13.3
General Retailers	3328.72	1.9	15.2
Life Insurance	6836.96	1.7	-
Food Producers	5810.68	1.5	-
Industrial Metals	7815.59	0.6	23.0
Banks	3197.30	-0.3	5.1
Real Estate Investment Trusts	2260.21	-0.6	-
Food & Drug Retailers	4150.98	-0.8	-5.2
Gas Water & Multiutilities index	5769.31	-0.9	-3.0
General Industrials	6127.89	-1.3	-
Losers			
General Financial	11834.57	-9.8	2.3
Mobile Telecommunications	2172.73	-6.3	-
Industrial Engineering	13973.48	-4.8	-24.5
Electronic & Electrical Equip.	8853.45	-4.2	-
Personal Goods	32398.07	-4.2	-9.8
Software & Computer Services	1830.29	-4.0	-
Chemicals	11645.74	-3.7	-
Oil & Gas Producers	8018.66	-3.6	40.4
Real Estate & Investment Servic	2186.66	-3.5	-32.9
Industrial Transportation	3571.21	-3.4	-
Equity Investment Instruments	11278.83	-2.8	-
Support Services	10165.04	-2.8	-

Based on last week's performance. †Price at suspension.

CURRENCIES

Dec 8	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	169.8528	-0.0272	179.1186	0.6845	207.5349	0.3743
Australia	Australian Dollar	1.4785	-0.0086	1.5592	-0.0028	1.8065	-0.0069
Bahrain	Bahrainin Dinar	0.3770	-	0.3976	0.0016	0.4606	0.0009
Bolivia	Bolivian Boliviano	6.9100	-	7.2870	0.0290	8.4430	0.0166
Brazil	Brazilian Real	5.2119	-0.0060	5.4962	0.0155	6.3682	0.0051
Canada	Canadian Dollar	1.3585	-0.0025	1.4326	0.0031	1.6599	0.0002
Chile	Chilean Peso	864.5000	-7.0000	911.6602	-3.7233	1056.2908	-6.4623
China	Chinese Yuan	6.9736	-0.0050	7.3540	0.0241	8.5207	0.0107
Colombia	Colombian Peso	4824.3500	0.3300	5087.5284	20.5993	5894.6415	11.9772
Costa Rica	Costa Rican Colon	597.7200	-2.8350	630.3268	-0.4685	730.3252	-2.0233
Czech Republic	Czech Koruna	23.0378	-0.0959	24.2946	-0.0041	28.1488	-0.0617
Denmark	Danish Krone	7.0533	-0.0282	7.4381	0.0000	8.6181	-0.0174
Egypt	Egyptian Pound	24.5991	-0.0164	25.9410	0.0860	30.0564	0.0390
Hong Kong	Hong Kong Dollar	7.7825	-0.0045	8.2071	0.0279	9.5091	0.0131
Hungary	Hungarian Forint	395.7376	2.8208	417.3258	4.6242	483.5326	4.3892
India	Indian Rupee	82.4275	-0.0600	86.9241	0.2830	100.7142	0.1246
Indonesia	Indonesian Rupiah	15620.5000	-17.0000	16472.6463	47.7271	19085.9363	16.7419
Israel	Israeli Shekel	3.4334	-0.0013	3.6207	0.0130	4.1951	0.0067
Japan	Japanese Yen	136.4950	-0.2100	143.9411	0.3524	166.7766	0.0713
..One Month		136.4944	-0.2112	143.9408	0.3520	166.7761	0.0703
..Three Month		136.4933	-0.2133	143.9403	0.3509	166.7750	0.0681
..One Year		136.4881	-0.2238	143.9372	0.3447	166.7761	0.0634
Kenya	Kenyan Shilling	122.8500	0.0500	129.5517	0.5682	150.1045	0.3557
Kuwait	Kuwaiti Dinar	0.3069	0.0001	0.3236	0.0013	0.3750	0.0008
Malaysia	Malaysian Ringgit	4.3975	0.0025	4.6374	0.0211	5.3731	0.0136
Mexico	Mexican Peso	19.6740	-0.0740	20.7473	0.0049	24.0387	-0.0430
New Zealand	New Zealand Dollar	1.5697	0.0007	1.6554	0.0074	1.9180	0.0047
Nigeria	Nigerian Naira	445.5000	2.0000	469.8029	3.9709	544.3349	3.5076
Norway	Norwegian Krone	9.9755	-0.0364	10.5197	0.0037	12.1886	-0.0204
Pakistan	Pakistani Rupee	223.6250	-	235.8242	0.9388	273.2366	0.5364
Peru	Peruvian Nuevo Sol	3.8770	0.0719	4.0885	0.0917	4.7371	0.0969
Philippines	Philippine Peso	55.4650	-	58.4907	0.2328	67.7700	0.1331
Poland	Polish Zloty	4.4448	-0.0225	4.6873	-0.0049	5.4309	-0.0167
Romania	Romanian Leu	4.6604	-0.0179	4.9146	0.0008	5.6943	-0.0106
Russia	Russian Ruble	62.8500	-0.0750	66.2786	0.1851	76.7934	0.0593
Saudi Arabia	Saudi Riyal	3.7590	-0.0013	3.9641	0.0145	4.5929	0.0075
Singapore	Singapore Dollar	1.3532	-0.0022	1.4270	0.0033	1.6534	0.0005
South Africa	South African Rand	17.1588	-0.0081	18.0948	0.0635	20.9655	0.0313
South Korea	South Korean Won	1318.0500	-3.6500	1389.9524	1.6994	1610.4616	-1.2893
Sweden	Swedish Krona	10.3495	-0.0094	10.9140	0.0335	12.6455	0.0133
Switzerland	Swiss Franc	0.9363	-0.0028	0.9874	0.0010	1.1440	-0.0012
Taiwan	New Taiwan Dollar	30.7070	0.0580	32.3821	0.1898	37.5194	0.1444
Thailand	Thai Baht	34.8325	-0.2600	36.7327	-0.1269	42.5601	-0.2335
Tunisia	Tunisian Dinar	3.1802	-0.0117	3.3536	0.0011	3.8857	-0.0066
Turkey	Turkish Lira	18.6345	-0.0070	19.6510	0.0709	22.7686	0.0362
United Arab Emirates	UAE Dirham	3.6729	-	3.8733	0.0154	4.4878	0.0088
United Kingdom	Pound Sterling	0.8184	-0.0016	0.8631	0.0017	-	-
..One Month		0.8186	-0.0016	0.8629	0.0017	-	-
..Three Month		0.8187	-0.0016	0.8627	0.0017	-	-
..One Year		0.8192	-0.0016	0.8615	0.0018	-	-
United States	United States Dollar	-	-	1.0546	0.0042	1.2219	0.0024
..One Month		-	-	1.0543	-0.1649	1.2220	0.0024
..Three Month		-	-	1.0538	-0.1649	1.2222	0.0024
..One Year		-	-	1.0519	-0.1649	1.2227	0.0024
Vietnam	Vietnamese Dong	23850.0000	-15.0000	25151.0952	84.3550	29141.1803	38.9266
European Union	Euro	0.9483	-0.0038	-	-	1.1586	-0.0023
..One Month		0.9480	-0.0038	-	-	1.1585	-0.0023
..Three Month		0.9475	-0.0038	-	-	1.1583	-0.0023
..One Year		0.9457	-0.0038	-	-	1.1571	-0.0023

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

FTSE ACTUARIES SHARE INDICES

UK SERIES
www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Dec 08	Day's chge%	Euro Index	£ Strlg Dec 07	£ Strlg Dec 06	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7472.17	-0.23	6749.00	7489.19	7521.39	7337.05	3.64	1.63	16.87	266.24	7671.49
FTSE 250 (250)	18824.01	-0.56	17002.19	18930.57	19100.08	23230.43	3.21	0.62	49.96	544.66	15666.43
FTSE 250 ex Inv Co (173)	19280.40	-0.71	17414.41	19417.84	19609.43	24054.17	3.33	1.28	23.45	579.16	16375.02
FTSE 350 (350)	4122.49	-0.28	3723.51	4133.91	4154.47	4198.40	3.58	1.50	18.66	142.83	8399.28
FTSE 350 ex Investment Trusts (270)	4063.15	-0.29	3669.91	4075.11	4095.23	4089.88	3.64	1.68	16.37	143.04	4278.39
FTSE 350 Higher Yield (132)	3537.79	-0.23	3195.39	3546.12	3562.85	3301.62	5.05	1.72	11.49	164.43	8133.20
FTSE 350 Lower Yield (218)	4289.63	-0.32	3874.47	4303.34	4325.90	4854.58	2.07	0.92	52.73	91.85	5281.68
FTSE SmallCap (236)	6161.78	-0.42	5565.43	6187.63	6243.92	7392.36	3.48	-0.09	-311.81	206.40	10368.08
FTSE SmallCap ex Inv Co (126)	4917.74	-0.54	4441.79	4944.56	4989.72	6152.38	3.68	2.43	11.20	160.20	8603.90
FTSE All-Share (586)	4082.24	-0.28	3687.15	4093.68	4114.48	4177.65	3.58	1.46	19.17	141.28	8398.93
FTSE All-Share ex Inv Co (396)	3988.76	-0.30	3602.72	4000.63	4020.61	4028.62	3.64	1.69	16.27	140.27	4264.39
FTSE All-Share ex Multinationals (523)	1065.08	-0.54	798.00	1070.91	1077.77	1333.66	3.99	0.83	30.18	40.47	2269.56
FTSE Fledgling (81)	11567.30	0.01	10447.80	11566.17	11593.15	13154.77	3.80	4.05	6.50	360.76	25072.22
FTSE Fledgling ex Inv Co (31)	15098.06	0.32	13636.84	15050.52	15101.18	17267.45	3.57	7.84	3.58	459.51	31765.69
FTSE All-Small (317)	4298.92	-0.39	3882.86	4315.93	4353.60	5142.54	3.50	0.16	184.17	143.50	9277.76
FTSE All-Small ex Inv Co (157)	3702.10	-0.51	3343.80	3721.13	3754.35	4616.37	3.67	2.62	10.40	120.33	8202.81
FTSE AIM All-Share (755)	834.41	-0.01	753.66	834.53	840.19	1199.69	1.66	1.69	35.80	13.09	980.70
FTSE All-Share Technology (21)	1958.69	-0.58	1648.89	1970.15	1983.25	2342.55	1.96	0.90	56.60	39.63	2837.10
FTSE All-Share Telecommunications (6)	1417.64	-2.34	1193.42	1451.55	1480.56	1870.01	7.48	1.03	13.00	99.22	2167.67
FTSE All-Share Health Care (14)	14792.18	0.35	12452.59	14740.64	14370.39	12777.44	2.54	1.05	37.54	374.42	13700.43
FTSE All-Share Financials (254)	4491.09	-0.45	3780.76	4511.40	4546.11	4882.09	3.77	0.94	28.15	166.18	4998.47
FTSE All-Share Real Estate (55)	826.87	-1.34	728.19	838.09	841.27	1226.94	4.28	3.61	6.47	33.93	872.39
FTSE All-Share Consumer Discretionary (84)	4571.66	-0.26	3848.59	4583.76	4601.61	5447.60	2.39	1.19	35.35	107.06	4848.75
FTSE All-Share Consumer Staples (24)	19672.47	-1.05	16560.99	19881.02	19939.46	19489.30	3.88	1.13	22.74	692.67	18038.74
FTSE All-Share Industrials (83)	6228.96	-0.44	5243.76	6256.18	6310.00	7409.44	2.31	1.35	32.04	135.69	7211.25
FTSE All-Share Basic Materials (22)	9293.59	1.55	7823.67	9151.49	9324.27	8131.01	5.85	2.00	8.55	539.20	12669.92
FTSE All-Share Energy (13)	8290.82	-0.17	6979.51	8304.92	8473.97	6203.27	3.64	2.73	10.05	303.49	10088.82
FTSE All-Share Utilities (10)	8578.38	-0.38	7221.59	8611.06	8616.62	8600.70	4.48	0.57	38.99	373.12	13079.89
FTSE All-Share Software and Computer Services (18)	2109.64	-0.69	1775.97	2124.29	2137.05	2517.56	1.97	0.89	56.97	43.04	3233.21
FTSE All-Share Technology Hardware and Equipment (3)	5193.39	2.09	4371.98	5086.99	5202.38	6644.06	1.71	1.19	49.01	78.21	6712.02
FTSE All-Share Telecommunications Equipment (1)	601.32	0.37	506.21	599.08	602.21	631.20	2.04	2.31	21.19	11.51	859.53
FTSE All-Share Telecommunications Service Providers (5)	2169.44	-2.47	1826.32	2224.28	2270.32	2887.94	7.75	1.01	12.76	157.08	3023.44
FTSE All-Share Health Care Providers (3)	10861.86	-0.41	9143.91	10906.69	11000.10	8110.47	0.54	4.88	38.17	58.27	10081.56
FTSE All-Share Medical Equipment and Services (2)	5515.26	0.42	4642.95	5492.12	5406.72	5844.52	2.59	0.97	40.02	142.76	5327.54
FTSE All-Share Pharmaceuticals and Biotechnology (9)	21188.06	0.35	17836.87	21113.31	20564.73	18112.07	2.56	1.04	37.41	539.80	17670.63
FTSE All-Share Banks (12)	3154.82	0.04	2655.84	3153.53	3180.95	2961.16	4.13	2.60	9.30	129.94	2793.17
FTSE All-Share Finance and Credit Services (8)	10173.58	-5.56	8564.48	10772.54	10729.95	9728.62	2.05	2.23	21.88	210.32	13671.55
FTSE All-Share Investment Banking and Brokerage Services (31)	8374.40	-0.62	7049.87	8426.66	8501.76	10508.54	5.37	1.50	12.42	437.54	11830.05
FTSE All-Share Closed End Investments (190)	11598.53	-0.02	9764.06	11601.09	11674.71	14315.08	2.71	-3.23	-11.43	300.52	7267.77
FTSE All-Share Life Insurance (6)	6955.99	-0.16	5855.80	6967.09	7061.66	7868.11	4.40	1.08	21.00	294.59	8512.37
FTSE All-Share Nonlife Insurance (7)	3559.82	-0.33	2996.79	3571.66	3590.56	3658.71	4.02	1.24	20.06	130.27	7581.14
FTSE All-Share Real Estate Investment and Services (10)	2089.13	-1.13	1758.70	2113.04	2123.17	3100.79	2.41	3.62	11.46	41.03	6229.40
FTSE All-Share Real Estate Investment Trusts (45)	2055.18	-1.38	1730.13	2083.86	2091.38	3041.23	4.61	3.61	6.00	93.09	3127.14
FTSE All-Share Automobiles and Parts (2)	1408.68	5.39	1185.87	1336.63	1325.75	3658.13	0.69	-53.35	-2.71	14.02	1465.51
FTSE All-Share Consumer Services (2)	3124.18	0.26	2630.04	3115.97	3125.79	2595.87	1.23	2.58	31.64	38.43	3963.01
FTSE All-Share Household Goods and Home Construction (12)	8387.37	-0.52	7060.79	8430.94	8414.92	14803.25	8.94	1.59	7.03	710.24	7547.36
FTSE All-Share Leisure Goods (2)	19853.13	0.16	16713.08	19822.19	20039.26	24625.84	3.40	1.59	18.44	831.45	22187.46
FTSE All-Share Personal Goods (4)	27857.04	-0.36	23451.05	27957.39	28345.09	31177.82	1.86	2.94	18.33	402.68	21788.53
FTSE All-Share Media (11)	9412.47	-0.66	7923.75	9474.86	9474.59	9969.77	2.36	1.47	28.97	221.42	6622.63
FTSE All-Share Retailers (22)	1883.52	-1.78	1585.62	1917.70	1926.01	2831.37	2.90	3.26	10.59	54.28	2458.02
FTSE All-Share Travel and Leisure (29)	6367.76	0.71	5360.61	6322.65	6376.88	7429.89	0.64	-8.13	-19.17	40.81	6586.15
FTSE All-Share Beverages (5)	28866.58	-1.11	24300.92	29189.22	29255.66	30731.85	2.07	2.00	24.06	584.47	23134.18
FTSE All-Share Food Producers (10)	5995.91	-0.91	5047.57	6050.76	6034.45	6761.66	2.30	2.55	17.05	98.17	5787.22
FTSE All-Share Tobacco (2)	35843.96	-2.78	30174.73	36868.35	36959.36	28761.60	6.62	0.87	17.40	1906.82	33665.31
FTSE All-Share Construction and Materials (15)	7099.92	-0.60	5976.97	7142.55	7171.22	8869.12	3.25	0.64	47.72	230.56	8663.33
FTSE All-Share Aerospace and Defense (7)	5256.49	1.00	4425.10	5204.37	5260.48	4463.69	2.24	0.11	405.31	104.10	6411.30
FTSE All-Share Electronic and Electrical Equipment (10)	10404.54	-1.00	8758.91	10509.63	10651.94	14130.85	1.69	2.11	28.06	161.86	10290.96
FTSE All-Share General Industrials (8)	4930.25	-0.56	4150.46	4958.26	4939.95	5649.29	2.90	1.24	27.85	142.00	6512.06
FTSE All-Share Industrial Engineering (5)	15432.03	-0.64	12991.23	15530.86	15929.35	20204.02	1.69	2.01	29.39	261.52	20729.39
FTSE All-Share Industrial Support Services (30)	9765.23	-1.04	8220.72	9867.56	9909.69	12296.82	1.97	1.67	30.46	194.99	11245.49
FTSE All-Share Industrial Transportation (8)	5388.57	0.24	4536.29	5375.46	5540.77	7281.07	2.17	3.22	14.33	99.15	5646.84
FTSE All-Share Industrial Materials (1)	14602.72	-1.85	467.01	14877.78	15402.87	21954.10	2.25	1.81	24.55	329.06	18445.42
FTSE All-Share Industrial Metals and Mining (9)	8415.64	1.84	7084.58	8263.24	8426.08	6734.59	6.21	2.01	8.01	517.75	12918.51
FTSE All-Share Precious Metals and Mining (5)	10285.99	1.19	8659.11	10165.12	10172.11	19045.28	3.48	1.83	15.74	358.99	7251.97
FTSE All-Share Chemicals (7)	12873.75	-1.47	10837.58	13065.18	13282.45	18735.84	2.76	1.81	20.04	355.95	12934.03
FTSE All-Share Oil. Gas and Coal (12)	8048.52	-0.17	6775.53	8062.23	8226.33	6020.20	3.64	2.73	10.05	294.63	10157.21
FTSE Sector Indices											
Non Financials (332)	**5007.74**	**-0.23**	**4523.09**	**5019.37**	**5041.16**	**5035.46**	**3.53**	**1.61**	**17.59**	**170.01**	**9064.99**

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7563.60	7560.47	7552.79	7545.61	7543.94	7539.70	7535.59	7552.00	7537.24	7566.22	7521.39
FTSE 250	19274.55	19255.22	19250.88	19221.71	19210.81	19204.70	19191.24	19188.94	19156.47	19280.70	19100.08
FTSE SmallCap	6276.27	6268.89	6267.56	6261.99	6264.93	6264.62	6263.56	6258.55	6243.83	6276.27	6241.77
FTSE All-Share	4139.59	4137.45	4133.79	4129.53	4128.49	4126.36	4124.06	4131.39	4123.42	4139.59	4114.48

Time of FTSE 100 Day's high:08:55:15 Day's Low16:35:30 FTSE 100 2010/11 High: 7672.40(10/02/2022) Low: 6826.15(12/10/2022)
Time of FTSE All-Share Day's high:08:03:00 Day's Low16:35:30 FTSE 100 2010/11 High: 4296.96(10/02/2022) Low: 3712.50(12/10/2022)

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FT 30 INDEX

	Dec 08	Dec 07	Dec 06	Dec 05	Dec 02	Yr Ago	High	Low
FT 30	2495.30	2509.30	2518.40	2525.10	2532.00	0.00	2880.10	2152.10
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2509.3	2509.9	2506.1	2502.3	2502	2499.3	2503.3	2498.4	2499.9	2516.1	2495.3

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FT WILSHIRE 5000 INDEX SERIES

	Dec 07		Dec 07
FT Wilshire 5000	39833.97	FT Wilshire Mid Cap	5419.43
FT Wilshire 2500	5101.53	FT Wilshire Small Cap	4856.80
FT Wilshire Mega Cap	5075.93	FT Wilshire Micro Cap	4691.33
FT Wilshire Large Cap	5133.11		

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FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Oil & Gas Producers	40.53	Gas Water & Multi	-3.11	FTSE 250 Index	-19.83
Oil & Gas	39.78	Health Care Eq & Srv	-3.42	Construct & Material	-21.33
Tobacco	22.38	Travel & Leisure	-7.31	Leisure Goods	-21.81
Mining	22.18	Beverages	-7.52	Mobile Telecomms	-23.40
Aerospace & Defense	19.00	Media	-8.68	Industrial Eng	-23.83
Pharmace & Biotech	13.27	Nonlife Insurance	-9.88	Telecommunications	-24.51
Basic Materials	13.21	Life Insurance	-10.59	Oil Equipment & Serv	-24.95
Health Care	12.13	Software & Comp Serv	-11.13	Household Goods & Ho	-25.71
Banks	4.82	Technology	-11.25	Fixed Line Telecomms	-27.56
Personal Goods	3.66	Financials	-12.25	Electronic & Elec Eq	-29.47
Electricity	3.23	Tech Hardware & Eq	-12.34	Food & Drug Retailer	-29.56
FTSE 100 Index	1.19	Food Producers	-13.27	Chemicals	-30.14
Beverages	31.66	Financial Services	-15.36	General Retailers	-31.92
NON FINANCIALS Index	-1.26	Consumer Services	-15.60	Real Est Invest & Tr	-33.51
Utilities	-1.52	Industrials	-15.86	Real Est Invest & Se	-33.96
Consumer Goods	-2.81	FTSE SmallCap Index	-17.40	Industrial Transport	-44.44
FTSE All{HY-}Share Index	-2.99	Equity Invest Instr	-18.65	Automobiles & Parts	-61.37
		Support Services	-19.23	Industrial Metals &	-78.56

FTSE GLOBAL EQUITY INDEX SERIES

Dec 8 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9508	691.62	-0.4	4.9	-18.3	1108.94	-16.6	2.3
FTSE Global All Cap	9508	691.62	-0.4	4.9	-18.3	1108.94	-16.6	2.3
FTSE Global Large Cap	1906	618.91	-0.5	5.1	-18.5	1022.95	-16.7	2.4
FTSE Global Mid Cap	2259	894.97	-0.2	4.9	-16.6	1349.86	-14.8	2.3
FTSE Global Small Cap	5343	914.69	-0.4	3.0	-20.1	1318.95	-18.6	2.2
FTSE All-World	4165	406.72	-0.4	5.1	-18.1	690.63	-16.4	2.3
FTSE World	2661	737.54	-0.3	5.0	-17.9	1680.66	-16.1	2.3
FTSE Global All Cap ex UNITED KINGDOM In	9218	729.61	-0.4	4.7	-18.6	1147.38	-17.0	2.3
FTSE Global All Cap ex USA	7699	491.96	-0.7	7.6	-18.0	875.21	-15.4	3.3
FTSE Global All Cap ex JAPAN	8104	721.71	-0.4	4.7	-18.4	1167.45	-16.7	2.3
FTSE Global All Cap ex Eurozone	8846	731.48	-0.4	4.4	-18.3	1147.31	-16.6	2.3
FTSE Developed	2177	676.95	-0.3	4.9	-18.0	1092.68	-16.3	2.2
FTSE Developed All Cap	5822	704.94	-0.3	4.7	-18.2	1121.03	-16.5	2.2
FTSE Developed Large Cap	834	634.36	-0.3	4.9	-18.2	1042.22	-16.5	2.2
FTSE Developed Europe Large Cap	219	382.75	-0.6	9.6	-14.8	758.86	-12.1	3.2
FTSE Developed Europe Mid Cap	354	570.55	-0.7	9.4	-26.0	981.77	-23.9	3.0
FTSE Dev Europe Small Cap	745	799.75	-0.9	8.0	-27.6	1321.41	-25.6	3.2
FTSE North America Large Cap	234	842.72	-0.2	3.2	-19.2	1266.93	-18.0	1.7
FTSE North America Mid Cap	422	1113.96	-0.1	3.5	-14.8	1548.41	-13.4	1.8
FTSE North America Small Cap	1333	1084.44	-0.2	1.2	-17.8	1445.11	-16.6	1.7
FTSE North America	656	553.03	-0.2	3.2	-18.4	849.99	-17.1	1.7
FTSE Developed ex North America	1521	261.75	-0.6	8.9	-17.0	501.43	-14.5	3.2
FTSE Japan Large Cap	169	371.44	-0.3	7.9	-18.5	546.06	-16.5	2.5
FTSE Japan Mid Cap	339	520.66	0.1	8.2	-15.2	727.03	-13.0	2.6
FTSE Global wi JAPAN Small Cap	896	577.81	0.3	7.8	-16.9	837.86	-14.6	2.8
FTSE Japan	508	152.77	-0.2	7.9	-17.9	251.48	-15.8	2.6
FTSE Asia Pacific Large Cap ex Japan	1088	672.92	-1.5	10.0	-19.3	1227.21	-16.9	3.2
FTSE Asia Pacific Mid Cap ex Japan	866	962.98	-0.9	8.2	-15.0	1693.53	-12.4	3.5
FTSE Asia Pacific Small Cap ex Japan	2112	540.94	-0.8	7.5	-25.7	923.65	-23.6	3.1
FTSE Asia Pacific Ex Japan	1954	536.27	-1.4	9.8	-18.9	1039.43	-16.5	3.2
FTSE Emerging All Cap	3686	705.93	-1.4	6.5	-19.8	1232.12	-17.1	3.8
FTSE Emerging Large Cap	1072	650.58	-1.6	7.1	-20.9	1142.13	-18.2	3.8
FTSE Emerging Mid Cap	916	1025.94	-0.6	3.9	-10.7	1800.89	-7.6	3.9
FTSE Emerging Small Cap	1698	764.36	-0.7	4.9	-21.1	1275.83	-18.5	3.4
FTSE Emerging Europe	111	117.47	-2.1	7.5	-71.7	246.17	-70.4	3.0
FTSE Latin America All Cap	262	709.41	-0.4	-6.4	0.1	1407.45	8.9	11.8
FTSE Middle East and Africa All Cap	329	728.53	-1.1	-3.8	-8.5	1335.66	-5.8	3.3
FTSE Global wi UNITED KINGDOM All Cap In	290	319.99	-0.7	9.1	-11.1	654.89	-7.9	3.6
FTSE Global wi USA All Cap	1809	948.95	-0.2	3.1	-18.6	1375.10	-17.4	1.7
FTSE Europe All Cap	1458	432.52	-0.7	9.4	-19.2	823.22	-16.7	3.2
FTSE Eurozone All Cap	662	418.02	-0.5	10.3	-19.4	789.60	-16.9	3.1
FTSE EDHEC-Risk Efficient All-World	4165	467.13	-0.3	4.7	-14.4	736.21	-12.4	2.7
FTSE EDHEC-Risk Efficient Developed Europe	573	314.97	-0.7	9.5	-23.7	554.38	-21.5	3.3
Oil & Gas	130	401.39	-0.7	-5.5	22.4	824.46	28.5	4.7
Oil & Gas Producers	86	397.91	-0.8	-6.7	25.3	839.77	31.9	5.0

Dec 8 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	24	276.86	-0.4	-2.9	18.3	513.48	23.1	4.2
Basic Materials	393	610.82	-0.6	8.9	-9.2	1126.21	-5.2	4.7
Chemicals	196	801.42	-0.6	5.5	-17.3	1419.18	-14.9	3.1
Forestry & Paper	20	260.95	-0.3	4.4	-14.5	527.54	-11.6	3.7
Industrial Metals & Mining	98	506.22	-0.9	10.8	-8.5	970.60	-3.5	7.4
Mining	79	987.80	-0.4	13.6	6.1	1928.68	12.8	5.8
Industrials	801	496.15	-0.3	5.7	-17.4	792.05	-15.7	2.1
Construction & Materials	154	569.84	-0.3	7.1	-22.9	959.89	-21.2	2.2
Aerospace & Defense	35	887.18	-0.4	2.4	10.5	1386.35	12.2	1.5
General Industrials	76	239.95	-0.2	5.4	-13.5	424.49	-11.3	2.5
Electronic & Electrical Equipment	157	625.00	-0.5	6.7	-22.3	898.46	-21.0	1.5
Industrial Engineering	158	993.69	-0.6	6.3	-14.1	1580.15	-12.4	1.9
Industrial Transportation	131	915.09	-0.3	6.0	-17.6	1490.29	-14.9	3.5
Support Services	90	522.56	0.2	5.8	-26.4	777.83	-25.4	1.5
Consumer Goods	568	555.93	-0.4	5.5	-19.3	935.63	-17.6	2.4
Automobiles & Parts	132	496.30	-1.4	-1.7	-35.8	803.00	-34.8	2.1
Beverages	72	781.61	-0.2	5.9	-3.0	1330.85	-0.9	2.2
Food Producers	134	725.11	-0.1	4.9	-7.7	1250.98	-5.5	2.5
Household Goods & Home Construction	65	537.74	0.4	10.7	-17.8	907.05	-15.6	2.7
Leisure Goods	53	233.17	-0.9	3.5	-26.8	329.86	-25.8	1.5
Personal Goods	98	920.77	-0.2	13.1	-20.2	1419.25	-18.8	1.9
Tobacco	14	1019.83	0.0	7.4	6.1	2887.63	11.0	6.0
Health Care	343	735.17	0.7	5.7	-6.9	1172.39	-5.3	1.7
Health Care Equipment & Services	133	1389.42	0.7	5.0	-16.5	1705.36	-15.7	1.0
Pharmaceuticals & Biotechnology	210	500.12	0.7	6.1	0.6	857.56	2.9	2.1
Consumer Services	427	527.79	-0.4	5.2	-25.1	753.97	-24.3	1.2
Food & Drug Retailers	69	328.77	0.5	4.6	-4.5	523.12	-2.3	2.3
General Retailers	141	913.97	-0.4	4.6	-28.5	1249.51	-27.9	1.0
Media	75	299.33	0.0	6.5	-36.2	430.31	-35.5	1.3
Travel & Leisure	142	451.52	-1.0	6.0	-12.0	659.73	-11.0	1.2
Telecommunication	89	129.79	-0.1	1.1	-12.4	306.23	-9.0	4.3
Fixed Line Telecommuniations	31	102.18	-0.2	2.5	-9.3	276.98	-5.0	5.2
Mobile Telecommunications	58	152.74	-0.1	0.3	-14.1	310.50	-11.1	3.9
Utilities	200	321.42	-0.4	7.7	-6.3	752.75	-3.4	3.3
Electricity	142	363.94	-0.3	6.4	-5.6	838.91	-2.8	3.2
Gas Water & Multiutilities	58	316.93	-0.7	10.8	-8.1	769.19	-4.9	3.6
Financials	854	258.88	-0.6	3.9	-13.7	498.01	-11.1	3.2
Banks	270	194.91	-0.7	0.7	-13.9	418.23	-10.5	4.2
Nonlife Insurance	72	363.82	-0.3	6.1	3.8	607.41	6.8	2.8
Life Insurance	51	222.47	-1.7	10.3	-7.9	429.43	-4.3	3.9
Financial Services	211	429.56	-0.6	4.5	-13.9	652.69	-12.5	1.7
Technology	360	459.13	-0.9	7.6	-32.3	599.40	-31.7	1.1
Software & Computer Services	184	688.00	-0.9	8.1	-35.7	832.52	-35.3	0.7
Technology Hardware & Equipment	176	410.25	-0.9	7.1	-28.4	576.36	-27.4	1.6
Alternative Energy	20	191.10	0.4	16.3	-8.3	274.22	-7.9	0.4
Real Estate Investment & Services	142	252.02	-2.0	10.6	-23.4	491.36	-21.2	3.2
Real Estate Investment Trusts	108	443.75	0.0	5.9	-25.6	1037.87	-23.4	3.8
FTSE Global Large Cap	1906	618.91	-0.5	5.1	-18.5	1022.95	-16.7	2.4

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FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1330	15.50	International Consolidated Airlines Group S.A.	134.56	1.78
Admiral Group PLC	1979	-14.00	Intertek Group PLC	4051	-31.00
Airtel Africa PLC	116.80	-4.40	Jd Sports Fashion PLC	123.20	-2.95
Anglo American PLC	3299.5	29.50	Kingfisher PLC	239.30	-4.60
Antofagasta PLC	1437.5	24.50	Land Securities Group PLC	620.00	-5.00
Ashtead Group PLC	4914	25.00	Legal & General Group PLC	252.10	-1.30
Associated British Foods PLC	1654.5	-12.00	Lloyds Banking Group PLC	45.90	-0.34
Astrazeneca PLC	11316	58.00	London Stock Exchange Group PLC	7380	-508.00
Auto Trader Group PLC	557.00	-2.80	M&G PLC	181.50	-2.75
Aveva Group PLC	3198	-	Melrose Industries PLC	125.70	0.65
Aviva PLC	441.50	-1.70	Mondi PLC	1462	-14.50
B&M European Value Retail S.A.	406.50	-3.40	National Grid PLC	1017	-2.50
Bae Systems PLC	831.40	8.20	Natwest Group PLC	259.00	0.70
Barclays PLC	156.80	-0.64	Next PLC	5810	-70.00
Barratt Developments PLC	403.60	-2.80	Ocado Group PLC	675.80	-10.00
Berkeley Group Holdings (The) PLC	3798	-21.00	Pearson PLC	930.00	-6.00
BP PLC	463.95	-0.05	Pershing Square Holdings LTD	2885	55.00
British American Tobacco PLC	3305	-105.50	Persimmon PLC	1273	2.00
British Land Company PLC	395.30	-4.80	Phoenix Group Holdings PLC	600.60	-5.00
Bt Group PLC	112.55	-4.35	Prudential PLC	1058.5	3.50
Bunzl PLC	2990	-13.00	Reckitt Benckiser Group PLC	5880	-32.00
Burberry Group PLC	2113	1.00	Relx PLC	2315	-20.00
Centrica PLC	92.52	-0.40	Rentokil Initial PLC	533.40	-5.60
Coca-Cola Hbc AG	1972	-17.50	Rightmove PLC	548.00	-7.00
Compass Group PLC	1897.5	5.00	Rio Tinto PLC	5780	164.00
Convatec Group PLC	227.40	-1.40	Rolls-Royce Holdings PLC	91.39	0.86
Crh PLC	3194	-23.00	Rs Group PLC	918.00	3.50
Croda International PLC	6744	-90.00	Sage Group PLC	782.20	-13.00
Dcc PLC	4250	-81.00	Sainsbury (J) PLC	224.20	-1.70
Dechra Pharmaceuticals PLC	2676	-60.00	Schroders PLC	448.10	-6.00
Diageo PLC	3776	-43.00	Scottish Mortgage Investment Trust PLC	769.00	10.40
Endeavour Mining PLC	1719	13.00	Segro PLC	802.00	-9.80
Entain PLC	1378	17.00	Severn Trent PLC	2723	-5.00
Experian PLC	2880	-34.00	Shell PLC	2309.5	-6.00
F&C Investment Trust PLC	908.00	3.00	Smith & Nephew PLC	1100.5	9.00
Flutter Entertainment PLC	11865	90.00	Smith (Ds) PLC	313.00	-4.00
Frasers Group PLC	814.50	-80.50	Smiths Group PLC	1611	-0.50
Fresnillo PLC	885.40	19.20	Smurfit Kappa Group PLC	2999	-33.00
Glaxosmithkline PLC	1483.6	-8.80	Spirax-Sarco Engineering PLC	10830	-100.00
Glencore PLC	548.60	8.30	Sse PLC	1698	-9.00
Haleon PLC	316.15	10.45	St. James's Place PLC	1128	-10.50
Halma PLC	2077	-47.00	Standard Chartered PLC	591.40	7.20
Harbour Energy PLC	302.30	2.00	Taylor Wimpey PLC	102.75	-0.75
Hargreaves Lansdown PLC	850.40	15.40	Tesco PLC	230.90	2.60
Homeserve PLC	1190	-1.00	Unilever PLC	4161	-
HSBC Holdings PLC	495.30	1.45	Unite Group PLC	917.00	-5.50
Imperial Brands PLC	2070	-33.00	United Utilities Group PLC	1033.5	-6.00
Informa PLC	619.40	2.80	Vodafone Group PLC	85.93	-1.73
Intercontinental Hotels Group PLC	4792	25.00	Whitbread PLC	2586	2.00
Intermediate Capital Group PLC	1157	-59.50	Wpp PLC	833.80	-6.60

UK STOCK MARKET TRADING DATA

	Dec 08	Dec 07	Dec 06	Dec 05	Dec 02	Yr Ago
Order Book Turnover (m)	243.21	101.19	71.68	384.97	384.97	384.97
Order Book Bargains	672856.00	668698.00	606879.00	667322.00	667322.00	667322.00
Order Book Shares Traded (m)	1035.00	1375.00	996.00	1163.00	1163.00	1163.00
Total Equity Turnover (£m)	7876.42	6890.64	5709.86	5333.42	5333.42	5333.42
Total Mkt Bargains	833213.00	830628.00	780977.00	844813.00	844813.00	844813.00
Total Shares Traded (m)	4519.00	4982.00	4301.00	4626.00	4626.00	4626.00

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavaliable. (c) Market closed.

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.
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UK RIGHTS OFFERS

Issue price	Amount paid up	Latest renun. date	High	Low	Stock	closing Price p	+or-

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
BlackRock Frontiers Investment Trust	Pre			**36.056L**	150.684	**0.195L**	0.712	**4.25000**	4.26700	Feb 14	**7.100**	6.900
Botswana Diamonds	Pre	**0.000**	0.000	**0.739L**	0.472L	**0.090L**	0.060L	**0.00000**	0.00000	-	**0.000**	0.000
Dewhurst Group	Pre	**57.565**	56.249	**7.169**	9.563	**60.000**	86.980	**10.25000**	9.75000	Feb 22	**14.750**	14.000
DWF Group	Int	**179.130**	173.308	**12.910**	11.028	**4.000**	3.100	**1.60000**	1.50000	Mar 3	**4.850**	4.500
Evgen Pharma	Int	**0.000**	0.000	**2.200L**	1.524L	**0.780L**	0.550L	**0.00000**	0.00000	-	**0.000**	0.000
Finsbury Growth & Income Trust	Pre			**117.550L**	197.458	**53.400L**	88.000	**9.80000**	9.10000	Nov 4	**18.100**	17.100
Focusrite	Pre	**183.733**	173.935	**30.549**	35.038	**42.500**	48.800	**4.15000**	3.70000	Feb 17	**6.000**	5.200
Frasers Group	Int	**2629.500**	2284.100	**258.200**	168.100	**46.100**	28.200	**0.00000**	0.00000	-	**0.000**	0.000
GRC International Group	Int	**7.287**	6.633	**0.539L**	0.492L	**0.480L**	0.470L	**0.00000**	0.00000	-	**0.000**	0.000
Hellenic Dynamics	Int	**0.000**	0.000	**0.220L**	0.243L	**0.000**	0.000	**0.00000**	0.00000	-	**0.000**	0.000
Henderson European Focus Trust	Pre			**46.721L**	70.018	**22.210L**	32.360	**3.15000**	2.35000	Feb 6	**4.350**	3.310
In The Style Group	Int	**26.582**	29.814	**3.149L**	0.890	**6.000L**	1.700	**0.00000**	0.00000	-	**0.000**	0.000
SDCL Energy Efficiency Income Trust	Int			**1.523L**	23.049	**0.200L**	3.300	**1.50000**	1.40000	Dec 21	**2.905**	2.780
Smith (DS)	Int	**4299.000**	3362.000	**315.000**	175.000	**16.900**	9.800	**6.00000**	4.80000	Jan 31	**16.200**	12.900

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
12/05	0.30		HELD	Hellenic Dynamics PLC	0.23	0.06	0.32	0.13	2819.3
11/09	250.00		ITH	Ithaca Energy PLC	172.70	-7.30	254.90	171.30	173591.5
10/31	4.00		BWN	Bowen Fintech PLC	6.25	0.00	7.38	5.90	343.8

§Placing price. *Intoduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank	23.59	-0.44	28.33	20.78	6.20	10.19	47758.56
BHP Group	46.23	-0.37	53.72	35.83	8.62	11.19	158287.46
CmwBkAu	105.35	-0.20	109.20	86.98	3.22	20.42	120334.27
CSL	297.50	-1.69	307.82	240.10	0.98	43.91	97029
NatAusBk	30.12	-0.53	33.75	25.43	2.89	16.54	64224.62
Telstra	3.99	-0.02	4.20	3.62	2.43	33.45	31181.24
Wesfarmers	47.99	0.35	60.78	40.03	3.60	25.43	36802.33
Westpac Bank	23.29	-0.28	24.67	18.80	3.70	17.46	55150.6
Woolworths	34.31	0.14	41.04	31.67	3.05	40.33	28229.1
Belgium (€)							
AnBshInBv	56.54	0.18	58.72	45.56	0.92	28.99	103578.92
KBC Grp	55.22	-1.82	81.70	45.53	6.06	9.23	24276.12
Brazil (R$)							
Ambev	15.69	-0.31	16.88	12.81	3.66	23.26	47414.77
Bradesco♦	12.92	-0.22	17.72	12.69	6.54	5.87	12073.87
Cielo	4.25	-0.15	6.22	2.01	3.49	14.12	2215.4
ItauHldFin♦	21.98	-0.41	26.04	18.86	3.59	8.54	20910.45
Petrobras	28.34	-0.40	42.08	25.53	17.24	3.97	40468.79
Vale	86.53	1.69	107.11	61.90	15.28	3.79	79340.98
Canada (C$)							
Bausch Hlth	10.27	0.45	36.26	5.10	-	-3.17	2735.65
BCE	63.40	-0.25	74.09	55.66	5.36	21.86	42559.56
BkMontrl	125.73	-2.81	154.47	113.73	3.49	9.96	62790.43
BkNvaS	68.09	0.12	95.00	63.19	5.29	8.77	59713.46
Brookfield	59.27	0.16	79.04	51.07	1.08	20.24	70668.69
CanadPcR	109.51	1.70	111.43	86.12	0.67	27.00	74978.61
CanImp	58.10	-0.86	83.75	55.35	10.03	4.14	38747.76
CanNatRs	74.93	-0.10	88.18	48.42	2.59	11.96	61074.98
CanNatRy	171.96	1.59	174.48	137.26	1.39	25.72	85400.67
Enbridge	53.31	-0.29	59.69	46.88	6.08	19.15	79457.59
GtWesLif	30.49	-0.38	41.50	27.99	6.14	8.82	20913.61
ImpOil	71.39	-	79.83	41.04	1.40	21.14	31784.84
Manulife	24.15	-0.02	28.09	20.81	4.70	7.03	33485.33
Nutrien	104.59	0.49	147.93	85.62	2.16	15.46	40069.2
RylBkC	131.59	-0.31	149.60	116.75	3.28	12.03	134209.07
SHOP	52.27	-0.24	194.50	33.00	-	1.86	38425.38
Suncor En	40.84	0.18	53.62	28.77	2.49	15.20	40567.86
ThmReut	155.87	-1.16	159.60	119.23	1.27	11.06	55026.26
TntoDom	89.24	-0.03	109.08	77.27	3.55	11.51	119665.6
TrnCan	57.90	-0.15	74.44	54.60	5.83	32.09	43382.21
China (HK$)							
AgricBkCh	2.57	0.05	3.15	2.22	8.28	3.37	10150.88
Bk China	2.71	0.04	3.20	2.51	8.19	3.35	29118.95
BkofComm	4.51	0.16	5.74	3.84	7.74	3.72	20289.72
BOE Tech	0.74	-	0.86	0.57	-	11.92	18.92
Ch Coms Cons	3.95	0.13	5.17	3.09	5.14	3.27	2242.6
Ch Evrbrght	2.34	0.04	3.11	2.04	10.22	3.16	3812.12
Ch Rail Cons	5.07	0.12	5.95	3.75	5.16	2.69	1352.62
Ch Rail Gp	4.48	0.10	5.88	3.48	4.58	3.60	2421.98
ChConstBk	4.71	0.04	6.23	4.12	7.87	3.42	145500.56
China Vanke	16.44	1.10	21.70	9.96	8.64	7.40	4027.38
ChinaCitic	3.43	0.09	4.08	2.92	8.16	3.18	6559.02
ChinaLife	12.14	0.28	15.04	8.53	5.61	5.30	11607.56
ChinaMBank	40.30	1.15	70.80	25.40	3.54	7.42	23772.97
ChinaMob	51.40	-0.25	58.65	45.90	6.25	7.92	135129.69
ChinaPcIns	18.12	0.58	25.90	12.10	7.24	5.90	6461.73
ChMinsheng	2.66	0.01	3.29	2.19	9.23	3.44	2843.79
ChMrchSecs	13.77	0.03	18.56	12.06	3.24	12.05	14655.42
Chna Utd Coms	5.09	-	5.25	3.30	2.24	25.04	22599.46
ChShenEgy	22.35	-0.25	27.65	17.76	9.15	6.77	9699.55
ChShpbldng	3.71	0.01	4.33	3.36	-	-270.44	11748.8
ChStConEng	5.90	0.02	6.40	4.67	3.71	4.48	34548.76
ChUncHK	4.55	0.07	4.89	3.27	3.45	10.01	17889.19
CNNC Intl	6.31	-	8.92	5.78	2.01	16.17	17056.6
CSR	3.20	0.09	3.73	2.37	6.45	8.78	1797.29
Daqin	6.85	-0.02	7.25	5.95	7.15	10.17	14603.5
GuosenSec	9.23	-0.02	11.70	8.43	2.54	10.40	11683.22
HaitongSecs	4.96	0.12	7.34	3.77	5.79	5.38	2173.02
Hngzh HikVDT	33.70	-0.10	55.55	28.10	2.42	18.16	44341.53
Hunng Pwr	3.32	-0.03	5.74	2.62	5.94	-3.72	2005.18
IM Baotou Stl	2.00	-	3.21	1.75	-	33.39	9085.02
In&CmBkCh	3.84	0.04	4.94	3.37	7.90	3.51	42825.05
IndstrlBk	17.74	0.16	23.22	15.01	4.46	4.77	52847.18
Kweichow	1687.02	3.02	2216.96	1359	1.17	37.26	303893.42
Midea	0.39	0.02	0.60	0.32	-	-4.17	14.89
New Ch Life Ins	19.18	0.40	24.70	12.04	7.97	3.63	2548.56
PetroChina	3.46	-0.03	4.49	3.01	6.89	6.97	9380.36
PingAnIns	51.45	2.35	69.40	31.30	4.86	8.17	49235.86
PngAnBnk	13.36	0.21	19.06	10.39	1.33	7.82	37177.15
Pwr Cons Corp	7.61	-0.02	9.81	6.65	1.19	15.51	11994.48
SaicMtr	15.24	0.01	22.14	13.77	3.98	7.48	25532.8
ShenwanHong	0.11	0.00	0.18	0.05	-	3.25	124.47
ShgPdgBk	7.38	0.04	8.81	6.64	6.36	4.63	31062.82
Sinopec Corp	3.65	-	4.28	3.06	3.81	4.39	11940.28
Sinopec Oil	2.06	-0.02	2.37	1.70	-	671.56	4008.39
Denmark (kr)							
DanskeBk	128.40	-0.20	133.25	91.28	1.52	9.02	15633.03
MollerMrsk	14775	-15.00	24070	13185	2.24	2.47	17469.16
NovoB	888.90	-6.10	902.50	604.40	1.03	43.97	218735.59
Finland (€)							
Nokia	4.60	-0.12	5.71	4.12	-	16.26	27495.28
SampoA	48.59	-0.01	49.30	35.85	3.43	10.61	27205.69
France (€)							
Airbus Grpe	110.14	1.74	120.36	86.52	-	20.75	91548.71
AirLiquide	138.00	-0.12	153.40	114.48	1.94	26.17	76169.35
AXA	27.02	-0.25	29.09	20.34	5.15	9.35	66975.88
BNP Parib	52.00	-	68.07	40.67	5.01	7.70	67686.67
ChristianDior	717.50	5.50	733.50	513.00	0.95	26.92	136579.39
Cred Agr	9.34	-0.01	14.27	8.09	8.33	5.24	29967.76
Danone	49.88	-0.68	58.24	46.48	3.78	17.44	35549.78
EDF	12.00	-	12.46	6.64	3.95	9.49	49183.21
Engie SA	14.29	-0.20	14.68	9.79	3.61	10.35	36703.79
EssilorLuxottica	178.40	0.20	188.64	132.70	0.59	55.91	84174.61
Hermes Intl	1517.5	1.00	1665.5	957.60	0.29	66.95	168940.9
LOreal	355.00	-1.45	433.65	300.45	1.10	44.45	200933.22
LVMH	719.00	6.20	738.50	535.00	0.95	30.94	381581.22
Orange	9.22	-0.11	11.94	8.93	6.33	3145.62	25866.44
PernodRic	186.15	-1.55	214.00	166.60	1.63	28.88	50636.32
Renault	34.15	-0.35	38.07	20.47	-	-26.21	10649.83
Safran	116.78	0.84	118.26	87.85	0.36	1200.45	52615.22
Sanofi	89.00	-1.60	106.08	76.45	3.50	18.49	118960.35
Sant Gbn	45.21	-0.65	64.82	35.20	2.93	11.11	24589.39
Schneider	136.08	-1.46	173.78	110.02	1.86	24.67	81953.79
SocGen	22.31	-0.19	37.68	18.34	2.41	3.87	19995.26
Total	56.81	0.27	60.44	42.30	4.63	11.22	156909.8
UnibailR	51.38	0.57	73.09	39.68	-	-7.52	7518.4
Vinci	97.94	0.09	103.74	80.74	2.67	22.32	61761.82
Vivendi	8.93	0.00	12.16	7.59	6.54	-16.38	10434.82
Germany (€)							
Allianz	203.65	0.25	232.50	156.22	4.60	13.20	86270.71
BASF	47.43	-0.50	69.15	37.90	6.78	8.05	45752.22
Bayer	52.80	-0.09	67.99	44.60	3.69	53.10	54483.95
BMW	84.56	-0.63	97.60	67.58	2.19	4.62	53467.97
Continental	54.94	-0.86	96.78	44.44	-	8.68	11541.64
Deut Bank	9.97	-0.11	14.64	7.46	-	10.06	21634.63
Deut Tlkm	19.37	-0.03	19.86	14.47	3.02	22.84	101440.82
DeutsPost	38.20	-0.34	56.91	29.68	3.53	9.92	49715.42
E.ON	9.19	-	12.54	7.28	4.99	5.24	25490.44
Fresenius Med	30.20	0.37	63.66	26.19	4.33	9.36	9294.3
Fresenius SE	26.44	0.24	38.11	19.76	3.32	8.57	15510.36
HenkelKgaA	62.85	-0.30	74.75	56.55	2.84	17.15	17150.36
Linde	315.80	-0.15	334.70	244.00	1.15	50.33	163986.57
Mercedes-Benz	63.12	-0.66	77.90	50.19	2.08	6.48	70928.45
MuenchRkv	304.80	-1.70	308.70	205.15	3.13	14.94	44852.38
SAP	102.44	-0.80	125.26	81.35	1.76	23.56	132184.92
Siemens	132.90	-0.86	154.70	93.67	2.57	20.50	118653.23
Volkswgn	179.95	-4.10	282.60	158.80	2.60	6.24	55775.28
Hong Kong (HK$)							
AIA	83.75	3.95	92.50	57.25	1.43	21.35	127240.66
BOC Hold	25.15	0.65	32.75	23.55	4.45	12.85	34167.1
Ch OSLnd&Inv	19.72	0.16	27.35	14.58	5.49	4.88	27733.13
ChngKng	45.75	0.25	57.00	42.90	3.49	10.43	21193.36
Citic Ltd	7.70	-	9.26	7.01	6.29	3.55	28781.91
Citic Secs	16.34	0.18	21.32	11.82	2.63	8.38	5501.06
CK Hutchison	44.40	0.70	60.45	38.80	4.62	5.60	21876.16
CNOOC	9.81	-0.13	12.54	7.65	4.15	8.53	56189.9
HangSeng	123.50	1.40	169.50	110.00	4.45	19.79	30338.92
HK Exc&Clr	335.60	14.40	483.60	208.20	2.46	37.68	54672.16
MTR	37.65	0.55	43.70	33.45	2.94	27.15	30004.21
SandsCh	25.85	2.35	26.90	12.50	-	-28.43	26881.93
SHK Props	98.25	0.95	99.80	83.10	4.54	11.18	36582.97
Tencent	317.40	17.20	488.00	198.60	0.46	12.44	390775.09
India (Rs)							
Bhartiartl	832.60	-1.40	860.55	628.75	-	177.94	60156.7
HDFC Bk	1619.5	9.05	1722.1	1271.6	-	27.48	109553.31
Hind Unilevr	2705.45	-1.90	2734	1927	1.18	72.55	77118.71
HsngDevFin	2664.8	4.95	2933.8	2026	0.86	22.71	58899.13
ICICI Bk	931.90	9.75	958.20	642.15	0.21	29.59	78850.66
Infosys	1620.15	14.65	1923.3	1360	1.87	32.04	82711.72
ITC	338.40	-1.70	361.45	207.00	3.18	28.15	50949.7
L&T	2167.7	43.70	2175	1456.35	0.83	35.99	36956.03
OilNatGas	142.65	2.00	189.80	119.85	6.38	4.04	21771.56
RelianceIn	2649.25	-1.25	2856.15	2222	0.26	30.34	217461.55
SBI NewA	611.65	4.60	622.70	430.70	0.65	17.08	66224.72
SunPhrmInds	980.80	-36.95	1070.95	745.30	0.76	36.59	28549.55
Tata Cons	3350.55	-30.05	3920	2950.1	1.08	32.03	148734.77
Israel (ILS)							
TevaPha	29.47	-0.38	37.23	23.83	-	25.12	9565.39
Italy (€)							
Enel	5.17	-0.05	7.07	3.96	6.89	24.74	55471.95
ENI	13.52	0.09	14.85	10.43	4.85	5.85	51422.13
Generali	17.20	-0.12	21.55	13.67	8.31	9.93	28677.89
IntSPaolo	2.06	0.00	2.92	1.58	1.73	65.55	42159.05
Unicred	12.55	-0.04	15.93	7.75	0.93	19.15	29609.33
Japan (¥)							
AstellasPh	2125	22.00	2205	1768.5	2.31	30.65	28581.16
Bridgestne	5005	-6.00	5509	4042	3.54	10.90	26169.89
Canon	3092	6.00	3516	2538.5	3.38	14.33	30213.53
CntJpRwy	16145	-25.00	17920	14660	0.86	-29.00	24366.24
Denso	7139	-71.00	9575	6549	2.10	18.74	41211.32
EastJpRwy	7771	22.00	8280	6373	1.38	-7.47	21516.63
Fanuc	20675	-125.00	25300	18740	2.34	23.56	30583.37
FastRetail	83620	-360.00	88230	54310	0.67	37.60	64983.18
Fuji Hvy Ind	2249	-7.00	2684	1664.5	2.66	24.75	12673.55
Hitachi	7002	-112.00	7463	4750	1.76	9.83	49686.36
HondaMtr	3264	-23.00	3755	3043	4.23	6.61	43316.62
JapanTob	2818.5	0.50	2848	2000	5.18	13.74	41298.22
KDDI	3993	-27.00	4636	3321	3.21	12.82	67363.13
Keyence	55430	-470.00	74710	44880	0.39	44.37	98765.54
MitsbCp	4481	-10.00	4845	3541	3.29	9.58	48394.78
MitsubEst	976.43	-1.53	1013.24	876.51	-	-	-
MitsubishiEle	1319.5	-7.50	1518	1225.5	3.24	11.30	20757.04
MitsuiFud	937.71	-0.06	1007.12	684.38	-	-	-
MitUFJFin	747.40	-8.40	828.30	615.50	3.72	7.26	70433.79
Mizuho Fin	1682	1.00	1727.5	1436.5	4.96	7.70	31290.67
Murata Mfg	7214	-135.00	9410	6604	1.78	13.87	35716.73
Nippon TT	3697	-23.00	4128	3071	3.04	11.15	98103.08
Nissan Mt	461.60	-2.10	643.00	436.50	-	14.04	14273.66
Nomura	484.20	-3.40	562.20	460.30	5.08	-31.19	11470.68
Nppn Stl	2269.5	7.00	2318.5	1787	3.77	3.36	15800.97
Panasonic	1226	-12.50	1325	1006.5	2.18	11.61	22042.36
Seven & I	5500	8.00	6083	4868	2.00	19.60	35718.75
ShnEtsuCh	16930	-110.00	20200	14185	1.83	15.19	50971.16
Softbank	6095	128.00	7180	4210	0.77	4.91	76936.17
Sony	10665	-210.00	14745	9213	0.60	12.75	98534.28
SumitomoF	4629	-42.00	4816	3672	4.62	8.44	46620.36
Takeda Ph	4019	19.00	4063	3075	4.79	13.51	46589.45
TokioMarine	2794	-11.00	2970.5	2016.67	8.42	4.25	41758
Toyota	1938.5	-11.00	2375.5	1805	2.81	8.19	231705.29
Mexico (Mex$)							
AmerMvl	18.21	-0.09	21.44	15.66	1.86	14.18	39242.24
FEMSA UBD	151.71	-0.05	169.96	120.63	1.39	119.41	16665.25
WalMrtMex	72.78	0.28	82.93	64.81	0.72	34.92	64594.97
Netherlands (€)							
ASML Hld	570.80	5.60	724.50	376.10	0.57	45.30	242663.38
Heineken	89.94	0.24	100.95	77.50	1.06	16.02	54631.77
ING	11.21	-0.06	14.00	7.90	5.21	9.37	44061.23
Unilever	48.24	-0.09	49.09	39.36	2.97	24.77	149371.22
Norway (Kr)							
DNB	180.75	-1.30	220.50	168.05	9.82	11.32	28254.35
Equinor	365.35	4.65	410.95	230.35	1.38	15.44	116300.17
Telenor	92.86	0.26	148.80	88.54	9.89	15.37	13027.22
Qatar (QR)							
QatarNtBk	17.70	-0.85	27.00	17.70	2.88	14.16	44891.81
Saudi Arabia (SR)							
AlRajhiBnk	74.00	-3.80	117.40	74.00	2.92	13.91	78718.16
Natnlcombnk	46.30	-1.50	82.00	46.30	2.82	17.23	55137.66
SaudiBasic	80.00	-2.00	141.40	80.00	3.66	11.54	63825.54
SaudiTelec	36.00	-0.65	48.88	36.00	10.02	7.05	47869.15
Singapore (S$)							
DBS	33.35	-0.15	37.49	29.45	3.34	14.26	63427.16
JardnMt US$	49.25	0.83	62.10	42.60	3.15	9.08	14273.84
OCBC	12.25	0.07	13.54	11.18	3.10	12.74	40680.21
SingTel	2.65	0.01	2.88	2.31	2.56	46.65	32326.39
UOB	30.73	0.17	33.33	25.91	2.92	14.26	38028.92
South Africa (R)							
Firstrand	61.87	-0.58	79.34	56.70	4.12	11.38	20226.3
MTN Grp	132.02	-3.62	211.49	115.46	-	18.30	14497.59
Naspers N	2720.97	58.91	2853.25	1392.5	0.21	14.87	69061.5
South Korea (KRW)							
HyundMobis	206000	-1500.00	265500	189500	1.94	8.03	14735.96
KoreaElePwr	19350	-450.00	25100	16500	6.34	-11.30	9424.53
SK Hynix	78800	-100.00	134000	78200	1.95	5.63	43523.83
SmsungEl	59200	300.00	80800	51800	2.44	10.25	268131.83
Spain (€)							
BBVA	5.51	-0.01	6.12	3.97	6.55	7.71	35051.2
BcoSantdr	2.77	-0.02	3.48	2.32	2.68	5.71	49102.63
CaixaBnk	3.31	-0.03	3.64	2.22	0.79	22.39	28161.72
Iberdrola	10.91	-0.01	11.49	8.47	3.76	19.24	73196.91
Inditex	24.41	-0.38	29.89	18.55	0.88	26.46	80227.64
Repsol	14.19	0.06	16.23	9.63	4.11	8.89	20604.22
Telefonica	3.42	-0.09	5.06	3.24	9.83	2.57	20847.05
Sweden (SKr)							
AtlasCpcoB	116.40	-3.36	133.60	22.08	6.46	7.61	17539.11
Ericsson	65.71	-0.79	117.32	58.81	3.53	9.48	19489.25
H & M	116.70	2.20	191.86	98.25	5.56	15.75	16455.45
Investor	191.32	-1.28	228.75	158.22	1.88	8.06	33649.6
Nordea Bk	107.26	-1.62	113.78	85.25	14.03	12.25	38191.76
SEB	117.10	-1.35	136.15	91.64	8.88	9.58	24355.88
SvnskaHn	101.50	-1.05	107.45	80.88	5.07	9.75	19055.59
Swedbank	168.35	1.85	189.60	124.50	8.90	8.81	18397.05
Telia Co	28.28	-	41.70	27.93	7.28	9.77	11164.78
Volvo	191.48	-1.40	218.65	148.24	3.49	12.21	29362.11
Switzerland (SFr)							
ABB	28.77	-0.22	33.86	23.84	2.68	14.15	60371.37
CredSuisse	2.94	0.09	9.26	2.65	3.15	-4.74	8329.07
Nestle	109.42	0.16	128.90	103.42	2.33	19.48	321376.69
Novartis	85.30	-0.48	88.42	73.32	3.28	9.50	218986.89
Richemont	123.20	1.65	146.10	90.28	1.47	30.12	68685.68
Roche	302.95	1.75	404.20	298.60	2.69	20.81	227321.76
Swiss Re	86.44	1.52	102.20	68.18	6.34	21.41	29311.62
Swisscom	509.40	0.60	587.40	443.40	4.00	15.54	28183.18
UBS	17.01	-0.09	19.90	13.10	1.89	8.98	64014.12
Zurich Fin	450.90	0.80	461.70	376.20	4.12	15.40	72458.07
Taiwan (NT$)							
Chunghwa Telecom	111.00	-1.50	132.50	105.50	3.86	24.16	28041.7
Formosa PetChem	81.30	-1.10	103.50	75.20	0.73	15.66	25220.93
HonHaiPrc	101.50	-0.50	116.00	99.50	3.95	10.23	45823.28
MediaTek	705.00	-11.00	1200	533.00	5.25	10.03	36721.32
TaiwanSem	471.50	-3.50	650.00	370.00	2.27	18.76	398156.06
Thailand (THB)							
PTT Explor	31.75	-0.50	41.25	31.75	5.99	8.91	26035.46
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.75	27.17	57535.64
United Kingdom (p)							
Anglo American	3299.5	29.50	4292.5	2487.5	5.40	6.53	53924.44
AscBrFd	1654.5	-12.00	2063	1223	0.37	27.35	15965.37
AstraZen	11316	58.00	11540	8108.32	1.83	1916.02	214245.1
Aviva	441.50	-1.70	606.58	341.92	4.84	58.09	15121.86
Barclays	156.80	-0.64	209.45	132.06	1.91	3.80	30400.48
BP	463.95	-0.05	503.30	319.95	3.39	16.83	102784.98
BrAmTob	3305	-105.50	3645	2660	6.52	11.18	90375.53
BT	112.55	-4.35	201.40	112.25	-	10.93	13656.35
Compass	1897.5	5.00	1970.5	1479.5	0.74	46.17	40719.94
Diageo	3776	-43.00	4097	3282.5	1.92	29.05	104866.94
GlaxoSmh	1483.6	-8.80	2753.96	1280.92	5.39	17.13	74217.14
Glencore	548.60	8.30	571.80	354.10	1.62	20.08	86222.95
HSBC	495.30	1.45	567.20	429.55	3.26	10.82	120844.95
Imperial Brands	2070	-33.00	2185	1434.23	6.67	6.92	23799.3
Jardine Mathes.	62.50	-	60.50	46.89	2.48	11.53	18114.01
LlydsBkg	45.90	-0.34	56.00	38.10	5.60	6.38	37731.75
LSE Group	7380	-508.00	8612	6230	1.04	75.46	45888.82
Natl Grid	1017	-2.50	1271.45	844.29	4.83	23.71	45483.74
Natwest Group	259.00	0.70	284.42	196.92	4.05	10.20	30582.52
Prudential	1058.5	3.50	1334	782.40	1.11	17.19	35557.71
ReckittB	5880	-32.00	6824	5400	2.97	-25.44	51421.38
RELX	2315	-20.00	2474	2056	2.06	30.54	54168.79
RioTinto	5780	164.00	6343	4436.95	8.69	6.05	88254.32
RollsRoyce	91.39	0.86	161.91	64.44	-	62.17	9343.68
Shell PLC	2309.5	-6.00	2527	1535.56	2.62	12.17	198784.66
StandCh	591.40	7.20	641.00	414.00	1.50	13.26	20917.55
Tesco	230.90	2.60	304.10	194.35	3.96	11.76	20853.77
Unilever♦	4161	-	4229.5	3267.5	3.48	21.36	128841.96
Vodafone	85.93	-1.73	141.60	84.95	9.00	-192.24	28772.6
WPP	833.80	-6.60	1231.5	713.00	3.18	15.88	10910.49
United States of America ($)							
21stC Fox A	30.70	-0.30	44.95	28.02	1.38	13.81	9285.97
3M	126.35	1.77	179.18	107.07	4.22	13.87	69839.07
AbbottLb	104.81	0.95	142.60	93.25	1.55	29.55	182743.97
Abbvie	165.40	1.68	175.91	120.75	2.83	28.48	292506.68
Accenture	286.69	1.28	417.37	242.95	1.16	32.33	190586.69
Activision Bli.	75.93	-0.18	82.00	57.47	0.56	24.52	59424.74
Adobe	326.68	-4.47	675.21	274.73	-	35.69	151873.53
Advanced Micro	70.14	-0.13	156.73	54.57	-	30.31	113090.66
AEP	96.67	0.30	105.60	80.30	2.79	21.65	49675.2
Aflac	71.20	0.11	72.70	52.07	1.67	12.38	44271.35
AirProd	315.58	3.48	320.62	216.24	1.71	36.82	70016.46
Allstate	130.11	-0.20	144.46	106.11	2.24	8.51	34506.42
Alphabet	94.94	-2.04	151.55	83.34	-	0.94	567076.62
Altria	46.37	0.16	57.05	40.35	6.83	38.43	83103.04
Amazon	88.46	0.21	177.50	85.87	-	1.52	902438.33
AmerAir	13.55	-0.78	21.42	11.65	-	-4.02	8806.16
AmerExpr	154.77	0.07	199.55	130.65	1.08	16.69	115649.2
AmerIntGrp	62.03	0.34	65.73	47.05	1.86	6.37	46087.05
AmerTower	211.11	-1.41	291.99	178.17	2.22	41.43	98294
Amgen	285.76	0.85	296.67	205.97	2.22	30.87	152475.59
Amphenol Corp	78.06	-0.21	88.45	61.67	0.90	34.54	46453.08
Analog Devices	166.01	-0.50	187.69	133.48	1.51	61.91	84548.22
Anthem	482.58	12.71	-	-	-	-	-
Aon Cp	304.14	-3.82	341.98	246.21	0.59	60.87	62912.25
Apple	140.94	-1.97	182.13	129.04	0.55	25.96	2242090.15
Applied Materi.	106.11	1.40	167.06	71.12	0.81	16.26	91287.43
Aptiv	97.79	-1.92	170.76	77.96	-	55.99	26496.16
ArcherDan	93.17	2.32	98.88	63.04	1.43	21.60	51181.47
AT&T	19.30	0.13	21.53	14.46	9.70	7.77	137551.1
Autodesk	193.34	-1.27	285.38	163.20	-	94.96	41734.19
AutomData	259.22	0.69	270.88	192.26	1.33	44.57	107531.65
AutoZone	2455.26	-1.66	2610.05	1703.32	-	24.64	46604.34
Avago Tech	518.50	-7.32	677.76	415.07	2.61	32.52	209993.25
BakerHu	27.88	-0.50	39.78	20.42	2.39	71.67	27920.92
Bank of NY	44.61	1.77	64.63	36.22	2.62	11.97	36057.37
BankAm	32.74	-0.26	50.11	29.31	2.14	10.19	262654.43
Baxter	52.35	0.84	89.70	49.83	1.87	22.98	26390.72
BectonDick	246.48	2.09	277.29	215.90	1.23	47.36	69846.47
BerkshHat	461593.4	-3244.10	544389.26	393012.25	-	8.62	275490.94
Biogen	292.15	0.68	311.88	187.16	-	31.20	42070.01
BlackRock	709.16	-1.13	933.06	503.12	2.10	20.61	106512.7
Boeing	176.50	-1.93	223.23	113.02	-	-27.42	104807.67
Booking Holdings	1955.56	-86.63	2715.66	1616.85	-	77.10	75854.98
Bristol-Myers	79.93	0.01	81.44	56.11	2.26	28.45	169944
Broadcom	518.50	-7.32	677.76	415.07	2.61	32.52	209993.25
Cadence Design	160.59	-3.07	194.97	132.32	-	71.35	44052.41
CapOne	93.23	-0.80	160.54	90.27	1.93	3.84	35585.76
CardinalHlth	80.15	0.75	81.57	47.54	2.20	46.13	21010.04
Carnival	8.89	-0.41	23.86	6.11	-	-1.18	9891.96
Caterpillar	228.98	0.69	239.85	160.60	1.68	21.50	119163.33
Centene Corp	87.35	1.42	98.53	71.89	-	42.55	49462.78
CharlesSch	80.19	-0.40	96.24	59.35	0.81	31.47	145612.66
Charter Comms	374.89	3.72	678.72	297.66	-	17.02	58359.98
Chevron Corp	172.52	0.51	189.68	110.73	2.77	23.54	333591.32
Chipotle Mexic.	1509.46	1.06	1776.67	1196.28	-	73.21	41843.91
Chubb	217.60	-0.03	222.00	173.78	1.32	12.54	90314.94
Cigna	332.19	2.55	332.90	206.44	1.08	23.46	101563.44
Cintas Corp	453.28	0.66	463.72	343.86	0.72	44.14	46028.46
Cisco	48.18	-0.41	64.29	38.61	2.79	19.00	197964.11
Citigroup	44.67	-0.31	69.11	40.01	4.11	4.89	86519.22
CME Grp	176.00	-3.89	256.94	166.58	1.84	26.82	63311.6
Coca-Cola	63.54	0.10	67.20	54.02	2.38	31.37	274779.57
Cognizant	59.40	-0.24	93.47	51.33	1.46	16.29	30526.93
ColgtPlm	77.55	0.34	85.18	67.84	2.08	33.78	64770.86
Comcast	34.62	-0.15	53.19	28.39	2.60	12.65	149349.44
ConocPhil	114.88	-0.73	138.49	66.06	1.53	21.02	143148.64
Constellation	246.66	-0.96	261.53	207.59	1.12	-1233.59	39767.63
Corning	33.12	-0.16	43.47	28.98	2.61	28.74	28013.27
Corteva	63.76	0.10	68.43	43.74	0.75	29.87	45556.01
Corteva	63.76	0.10	68.43	43.74	0.75	29.87	45556.01
Costco	481.97	0.81	612.27	406.51	0.60	42.73	213321.92
CrownCstl	138.72	1.45	208.69	121.71	3.54	57.71	60072.42
CSX	30.91	-0.25	38.63	25.80	1.14	18.96	64985.45
CVS	102.28	1.09	111.25	86.28	1.76	19.09	134392.54
Danaher	268.24	2.89	330.46	233.71	0.30	33.99	195268.72
Deere	440.65	2.40	448.40	283.81	0.80	26.87	132996.82
Delta	34.33	-1.58	46.27	27.20	-	45.76	22012
Devon Energy	64.25	0.12	79.40	35.55	2.76	17.03	42000.23
Digital Realty	108.80	0.75	176.53	85.76	3.84	20.34	31282.42
DiscFinServ	103.74	-0.13	129.12	87.64	1.63	6.46	28344.44
Disney	92.15	-0.14	157.50	86.28	-	59.51	168044
Dollar General	248.97	3.52	262.21	183.25	0.61	26.93	55663.42
DominRes	58.00	-0.25	88.78	57.40	3.91	20.19	48329.96
DukeEner	99.58	-0.93	116.33	83.76	3.53	22.43	76682.85
DuPont	69.70	-0.27	84.08	49.52	1.55	23.97	34626.19
Eaton	157.27	-0.54	174.47	122.50	1.74	32.71	62546.28
eBay	43.16	-0.19	67.71	35.92	1.50	126.15	23421.17
Ecolab	147.97	-0.46	236.89	131.04	1.19	42.03	42146.01
Edwards Lifesc.	72.58	0.31	131.73	67.13	-	33.87	44873.35
Eli Lilly	371.97	3.43	375.25	231.87	0.82	67.51	353437.67
Emerson	94.71	0.36	100.00	72.41	1.93	22.97	56011.49
EOG Res	126.16	-1.63	150.88	80.67	1.15	17.54	74105.06
Equinix	685.12	-1.75	847.10	494.89	1.51	137.61	63399.71
EquityResTP	61.96	0.26	94.32	59.32	3.50	20.08	23415.86
Exelon	42.31	-0.56	50.71	29.10	3.26	27.01	42045.23
ExxonMb	103.65	-0.23	114.66	57.96	3.03	21.36	426861.11
Fedex	172.28	-0.77	260.50	141.92	1.50	10.29	44830.67
Fidelity NIS	69.23	-0.50	122.06	56.53	2.03	114.77	41079.66
Fiserv	100.49	0.14	110.94	87.03	-	56.09	63813.97
FordMtr	13.10	-0.18	25.87	10.61	0.69	3.27	51740.31
Franklin	26.78	0.18	35.18	20.24	3.80	7.87	13378.18
GenDyn	246.21	-2.07	256.86	197.03	1.71	23.68	67596.7
GenElectric	85.00	-0.28	101.91	59.93	0.34	-29.05	92876.79
GenMills	87.22	1.84	87.30	61.67	2.13	25.59	51768.18
GenMotors	37.96	-0.06	67.21	30.33	-	6.29	53929.65
GileadSci	87.79	-0.17	89.10	57.17	2.91	19.78	110110.07
GoldmSchs	359.92	-2.99	401.75	277.84	1.63	6.72	121881.36
Halliburton	35.05	-1.03	43.99	21.07	0.67	21.88	31827.04
HCA Hold	238.11	1.49	279.02	164.47	0.73	12.50	67317.67
Hew-Pack	27.83	-0.48	41.47	24.08	2.72	5.58	27995.28
Hilton Worldwi.	134.32	-3.25	167.99	108.41	-	102.18	36327.65
HiltonWwde	134.32	-3.25	167.99	108.41	-	102.18	36327.65
HomeDep	320.15	2.70	419.85	264.51	1.87	22.68	327746.02
Honywell	213.45	0.26	220.96	166.63	1.59	29.97	143507.18
HumanaInc	549.18	2.83	571.30	363.73	0.46	26.91	69526.36
IBM	147.27	-0.23	150.46	115.55	4.00	31.40	133150.69
IDEXX Laborato.	420.10	4.71	664.70	317.06	-	54.26	34791.4
IllinoisTool	220.10	-1.49	248.11	173.52	1.93	28.73	67611.72
Illumina	208.52	2.54	397.44	173.45	-	45.95	32800.2
Intcntl Exch	103.53	-2.21	138.46	88.60	1.15	16.02	57826.85
Intel	28.33	-0.27	55.00	24.59	4.42	6.47	116917.91
Intuit	388.65	-1.13	684.07	339.36	0.59	54.06	109181.64
John&John	177.17	1.07	186.69	155.72	2.13	25.20	463208.06
JohnsonCn	66.39	0.29	81.69	45.52	1.56	33.67	45590.27
JPMrgnCh	131.50	-0.09	163.39	101.28	2.60	9.51	385716.44
Kimb-Clark	136.70	0.69	144.53	108.74	3.10	28.49	46135.17
KinderM	18.04	-0.06	20.20	15.01	5.54	43.29	40549.27
KLA Corp	388.09	4.85	442.44	250.20	0.90	22.18	54999.47
Kraft Heinz	39.89	0.47	44.87	32.73	3.61	54.03	48862.46
Kroger	46.94	0.61	62.78	41.82	1.51	23.80	33599.95
LasVegasSd	47.13	0.33	49.30	28.88	-	-34.67	36015.16
LibertyGbl	18.94	-0.12	29.08	15.22	-	0.90	3255.83
Lilly (E)	371.97	3.43	375.25	231.87	0.82	67.51	353437.67
Linde	331.40	-0.10	346.50	262.47	1.15	50.28	163837.38
Lockheed	481.20	-2.80	498.95	333.42	2.08	22.95	126109.99
Lowes	206.89	4.98	263.31	170.12	1.32	18.91	128416.74
Lyondell	81.67	-0.63	117.22	71.46	4.89	5.41	26593.75
Marathon Ptl	109.00	-0.29	127.62	59.96	1.92	59.93	51084.03
Marsh&M	171.24	-0.71	183.14	142.80	1.41	29.25	84936.67
MasterCard	347.42	-0.11	399.92	276.87	0.58	44.05	331370.25
McDonald's	270.34	-1.43	281.67	217.68	1.75	29.91	198003.47
McKesson	385.51	7.47	401.78	219.23	0.42	48.49	54662.8
Medtronic	76.91	-0.17	114.44	75.83	2.92	23.31	102304.14
Merck	110.09	1.16	110.98	71.50	2.16	25.16	279121.74
Meta	196.64	0.99	384.33	169.00	-	15.41	450997.53
Metlife	74.59	-0.69	77.36	57.41	2.29	11.33	58523.78
Microsoft	244.37	-0.75	344.30	213.43	0.85	28.91	1821649.6
Mnstr Bvrg	101.23	-0.21	104.65	71.78	-	43.75	52816.11
MondelezInt	68.03	0.74	69.47	54.72	1.76	24.86	92903.03
Monsanto	10.06	0.02	10.06	9.66	-	51.22	251.50
MorganStly	87.28	-0.23	109.73	72.05	2.17	12.07	147512.75
Netflix	308.42	2.86	632.46	162.71	-	30.48	137253.22
NextEraE	85.29	0.11	92.91	67.22	1.72	124.44	169485.19
Nike	108.33	0.40	173.35	82.22	0.97	31.45	136891.49
NorfolkS	241.55	-1.00	296.87	203.65	1.55	22.15	55922.26
Northrop	540.21	8.40	556.27	360.75	1.03	13.78	83144.89
NXP	163.95	0.87	239.91	132.08	1.24	26.82	42485.16
Occid Pet	63.95	-0.19	77.13	26.05	0.06	34.48	58125.06
Oracle	78.78	-0.13	106.34	60.78	1.48	33.08	212403.98
Pepsico	182.18	0.55	186.62	153.37	2.10	36.86	250991.06
Perrigo	31.61	-0.12	43.90	31.01	2.73	-35.83	4255.96
Pfizer	50.24	0.53	61.71	41.45	2.80	14.20	282012.92
Phillips66	103.01	-0.07	113.53	68.57	3.16	38.52	48685.84
PhilMorris	101.88	0.25	112.48	82.85	4.33	19.41	157934.61
PNCFin	155.10	3.24	214.50	143.52	2.79	13.56	62554.78
PPG Inds	129.44	-2.60	172.78	107.06	1.65	31.55	30421.95
ProctGmbl	150.24	0.96	165.35	122.18	2.14	28.36	358397.44
Prudntl	102.63	-0.66	124.22	85.46	4.04	5.84	38178.36
PublStor	296.82	7.83	421.76	270.73	2.43	33.40	52132.99
Qualcomm	118.21	-1.57	192.68	101.93	2.05	15.04	132513.41
Raytheon	99.04	0.31	106.02	79.69	1.82	42.64	145594.82
Regen Pharm	764.27	16.80	769.63	538.01	-	11.79	81840.93
S&P Global	351.52	-0.17	484.21	279.32	0.79	31.21	114525.22
Salesforce	130.48	-2.79	270.57	130.02	-	97.00	130480
Schlmbrg	49.80	-1.08	56.04	27.65	0.90	41.90	70616.09
Sempra Energy	162.42	-2.93	176.47	124.44	2.44	44.99	51054.02
Shrwin-Will	251.12	-2.34	354.15	195.24	0.79	39.96	65076.09
SimonProp	119.05	0.79	161.87	86.02	5.41	19.33	38922.9
SouthCpr	60.03	-0.83	79.32	42.42	4.80	15.19	46409.1
Starbucks	101.87	-0.21	117.34	68.39	1.63	30.58	116926.39
StateSt	80.45	6.09	103.76	58.62	2.44	12.43	29520.33
Stryker	242.08	6.54	279.28	188.84	0.96	51.61	91610.32
Sychrony Fin	34.63	-0.01	48.40	27.22	2.35	5.07	15602.25
T-MobileUS	148.79	-0.60	154.38	101.51	-	68.57	185117.69
Target	153.76	-1.29	254.87	137.16	1.87	12.00	70769.98
TE Connect	121.56	0.73	164.12	104.76	1.47	18.34	38562.55
Tesla Mtrs	174.04	-5.78	384.29	166.19	-	39.45	549575.24
TexasInstr	173.75	-0.59	199.86	144.46	2.18	23.36	157690.58
TheTrvelers	188.05	-0.45	191.16	149.65	1.73	12.88	44069.05
ThrmoFshr	558.14	7.61	668.94	475.77	0.17	31.86	218900.03
TJX Cos	79.40	0.04	81.17	53.69	1.19	32.35	91747.03
Truist Financial Corp	41.84	-0.05	66.10	40.01	4.00	10.40	55511.9
Twitter	53.70	0.35	60.16	31.30	-	-224.30	41093.72
UnionPac	212.22	1.08	278.94	183.70	1.96	21.78	130473.03
UPS	174.67	-0.43	233.72	154.87	2.10	13.22	127477.82
USBancorp	43.56	0.62	60.50	38.39	3.64	9.49	64722.47
UtdHlthcre	542.91	3.59	558.10	445.74	0.93	33.35	507267.46
ValeroEngy	120.19	1.33	146.81	65.13	2.94	58.81	46336.04
Verizon	37.17	0.28	55.51	34.55	6.14	7.76	156107.21
VertexPharm	317.58	5.77	323.61	203.13	-	39.15	81520.07
VF Cp	28.97	-0.42	78.17	26.46	6.12	10.55	11256.76
Visa Inc	207.81	-1.27	235.85	174.60	0.58	38.21	338284.21
Walgreen	40.65	0.06	53.46	30.39	4.25	6.54	35154.65
WalMartSto♦	149.11	-0.78	160.77	117.27	1.34	33.69	402119.86
Walt Disney	92.15	-0.14	157.50	86.28	-	59.51	168044
Waste Manage.	165.21	-0.35	175.98	138.58	1.25	42.77	67814.92
WellsFargo	42.45	-0.95	60.30	36.54	1.64	9.53	161755.34
Williams Cos	33.79	0.32	37.97	24.86	4.37	30.27	41167.7
Workday	164.72	3.36	285.58	128.72	-	1510.25	33273.44
Yum!Brnds	128.27	-2.35	139.85	103.97	1.40	27.35	36132.1
Zoetis	150.25	-2.80	249.27	124.15	0.60	39.08	70027.32
Zoom	69.87	-1.60	205.22	69.54	-	17.08	17535.63
Venezuela (VEF)							
Bco de Vnzla	1.80	-0.41	2.21	0.32	140.06	-	519.13
Bco Provncl	4.25	0.10	4.39	1.70	-	0.00	126.03

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
ShenwanHong	0.11	0.11	0.00	2.80	0.02	23.6	20.88
SandsCh	25.85	23.50	2.35	10.00	4.85	23.1	51.12
Chna Utd Coms	5.09	5.09	0.00	0.00	0.68	15.4	42.18
Midea	0.39	0.37	0.02	5.48	0.05	13.2	11.59
Tencent	317.40	300.20	17.20	5.73	30.20	10.5	29.34
HK Exc&Clr	335.60	321.20	14.40	4.48	29.60	9.7	29.58
CredSuisse	2.94	2.85	0.09	3.19	0.24	9.0	-27.71
PingAnIns	51.45	49.10	2.35	4.79	3.70	7.7	39.81
Hngzh HikVDT	33.70	33.80	-0.10	-0.30	2.19	7.0	12.26
AIA	83.75	79.80	3.95	4.95	5.25	6.7	23.56
Ch Rail Cons	5.07	4.95	0.12	2.42	0.30	6.3	26.57
Kweichow	1687.02	1684.00	3.02	0.18	88.02	5.5	11.94
New Ch Life Ins	19.18	18.78	0.40	2.13	0.96	5.3	31.11
RollsRoyce	91.39	90.53	0.86	0.95	4.46	5.1	3.43
Citic Secs	16.34	16.16	0.18	1.11	0.78	5.0	19.10
SHK Props	98.25	97.30	0.95	0.98	4.55	4.9	16.63
GlaxoSmh	1483.60	1492.40	-8.80	-0.59	68.20	4.8	7.45
ChUncHK	4.55	4.48	0.07	1.56	0.20	4.6	30.29
L&T	2167.70	2124.00	43.70	2.06	92.85	4.5	7.44
Bausch Hlth	9.84	9.82	0.02	0.20	0.41	4.3	3.58

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Salesforce	130.48	133.27	-2.79	-2.09	-29.77	-18.6	-10.83
BankAm	32.74	33.00	-0.26	-0.79	-5.11	-13.5	-8.78
VF Cp	28.97	29.39	-0.42	-1.43	-3.85	-11.7	6.82
WellsFargo	42.45	43.40	-0.95	-2.19	-5.50	-11.5	-6.79
EOG Res	126.16	127.79	-1.63	-1.28	-15.77	-11.1	-8.83
LSE Group	7380.00	7888.00	-508.00	-6.44	-890.00	-10.8	-3.56
Costco	481.97	481.16	0.81	0.17	-57.28	-10.6	-0.89
Truist Financial Corp	41.84	41.89	-0.05	-0.12	-4.97	-10.6	-1.92
Tesla Mtrs	174.04	179.82	-5.78	-3.21	-20.66	-10.6	-19.17
Marathon Ptl	109.00	109.29	-0.29	-0.27	-12.81	-10.5	-7.78
Carnival	8.89	9.30	-0.41	-4.41	-1.04	-10.5	0.68
ValeroEngy	120.19	118.86	1.33	1.12	-13.43	-10.1	-7.34
CapOne	93.23	94.03	-0.80	-0.85	-10.01	-9.7	-5.66
Advanced Micro	70.14	70.27	-0.13	-0.19	-7.49	-9.6	16.69
SHOP	49.99	52.51	-2.52	-4.80	-5.27	-9.5	13.90
CanImp	58.86	58.96	-0.10	-0.17	-5.93	-9.2	-5.69
Amazon	88.46	88.25	0.21	0.24	-8.08	-8.4	-0.94
Aptiv	97.79	99.71	-1.92	-1.93	-8.88	-8.3	6.73
Cielo	4.40	4.40	0.00	0.00	-0.39	-8.1	-19.71
Occid Pet	63.95	64.14	-0.19	-0.30	-5.54	-8.0	-11.38

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Dec 08	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

Dec 08	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40

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INTEREST RATES: OFFICIAL

Dec 08	Rate	Current	Since	Last
US	Fed Funds	3.00-3.25	21-09-2022	2.25-2.5
US	Prime	6.25	22-09-2022	5.50
US	Discount	3.25	22-09-2022	2.50
Euro	Repo	0.53	01-11-2022	0.374
UK	Repo	3.00	02-11-2022	2.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25

INTEREST RATES: MARKET

Dec 08 (Libor: Dec 07)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	3.82014	0.003	0.003	0.015	4.23614	4.72343	5.17243	5.52457
Euro Libor	-0.64957	-0.064	0.000	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	0.000	0.024	3.38150	3.73210	4.26110	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.06005	-0.05113	0.03700	0.04867
Euro Euribor				-0.004	1.51900	1.99300	2.44300	2.87000
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.040	4.27000	4.62000	5.02000	
Euro CDs				0.050	1.58000	1.96000	2.32000	

Dec 08	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	1.15	1.45	1.21	1.51	1.43	1.73	1.81	2.11	2.17	2.47	2.44	2.74
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	3.63	3.83	3.73	3.93	4.17	4.37	4.52	4.72	4.92	5.12	5.16	5.36
Japanese Yen	-0.15	0.05	-0.20	0.00	-0.20	0.00	-0.15	0.05	-0.10	0.20	-0.05	0.25

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	200.69	0.03	1.71	-8.69	6.96	-8.19
Corporates(£)	331.02	0.08	0.74	-16.37	5.02	-18.01
Corporates(€)	213.54	0.09	1.20	-11.59	4.30	-12.19
Eurozone Sov(€)	220.24	0.18	1.28	-13.44	4.65	-15.12
Gilts(£)	282.64	-0.12	0.25	-21.37	4.62	-24.52
Overall(£)	290.05	-0.06	0.35	-19.87	4.49	-22.65
Overall(€)	214.41	0.13	1.18	-13.08	4.37	-14.45
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	698.02	9.57	-	-	13.47	-11.58
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES

	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	470.26	3.29	27.46	-44.94	688.92	434.12
Europe 5Y	92.26	0.55	5.57	-12.78	142.08	85.48
Japan 5Y	78.31	0.06	2.70	-15.64	119.29	75.61
Senior Financials 5Y	101.46	0.38	4.77	-12.77	155.06	94.99
Markit CDX						
Emerging Markets 5Y	239.09	-4.23	12.91	-39.88	335.29	226.18
Nth Amer High Yld 5Y	490.85	-2.95	38.28	-49.96	625.47	452.57
Nth Amer Inv Grade 5Y	82.17	-0.68	6.55	-10.17	110.98	75.62

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

VOLATILITY INDICES

	Dec 08	Day Chng	Prev	52 wk high	52 wk low
VIX	22.63	-0.05	22.68	38.93	16.62
VXD	20.67	-0.27	20.94	45.37	3.27
VXN	28.17	0.06	28.11	44.05	9.94
VDAX	22.39	0.94	21.45	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility. ‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	-	-	-	-	-	-	-	-
	05/32	1.25	83.10	3.35	-0.04	-0.17	-0.17	-
	02/50	1.00	106.17	1.21	0.01	-0.21	-0.21	0.93
Austria	02/29	0.50	90.29	2.19	-0.03	-0.16	-0.16	2.48
	02/47	1.50	84.40	2.35	0.01	-0.16	-0.16	2.07
Belgium	06/27	0.80	94.65	2.05	-0.05	-0.15	-0.15	2.50
	06/47	1.60	82.49	2.57	0.00	-0.15	-0.15	1.98
Canada	03/25	1.25	94.94	3.64	-0.02	-0.18	-0.18	2.29
	06/30	1.25	90.00	2.74	-0.02	-0.24	-0.24	1.24
	12/48	2.75	99.85	2.76	-0.04	-0.30	-0.30	0.94
Denmark	11/29	0.50	90.30	2.01	-0.04	-0.14	-0.14	2.23
	11/52	0.25	65.84	1.72	0.00	-0.13	-0.13	1.62
Finland	09/24	0.00	96.46	2.06	-0.04	-0.17	-0.17	2.72
	09/29	0.50	89.12	2.25	-0.02	-0.16	-0.16	2.54
France	05/28	0.75	93.34	2.05	-0.02	-0.17	-0.17	2.39
	05/48	2.00	90.84	2.49	0.00	-0.15	-0.15	1.96
Germany	08/29	0.00	89.20	1.72	-0.01	-0.17	-0.17	2.22
	08/50	0.00	64.86	1.58	0.01	-0.17	-0.17	1.69
Greece	01/23	3.50	100.27	1.54	-0.09	0.17	0.17	1.83
	01/28	3.75	103.81	2.94	-0.09	-0.39	-0.39	2.31
Ireland	-	-	-	-	-	-	-	-
	05/26	1.00	96.89	1.94	-0.02	-0.17	-0.17	2.38
	02/45	2.00	91.42	2.51	0.01	-0.15	-0.15	2.02
Italy	02/25	0.35	95.64	2.45	-0.07	-0.28	-0.28	2.55
	05/30	0.40	94.07	1.24	-0.02	-0.16	-0.16	2.02
	03/48	3.45	96.47	3.67	-0.04	-0.20	-0.20	1.97
Japan	04/25	0.05	99.91	0.09	0.00	0.01	0.01	0.01
	12/29	0.10	99.40	0.19	-0.02	-0.03	-0.03	0.24
	12/49	0.40	77.94	1.38	-0.01	-0.03	-0.03	0.72
Netherlands	07/27	0.75	94.97	1.90	-0.02	-0.16	-0.16	2.41
	01/47	2.75	115.81	1.92	0.01	-0.13	-0.13	1.97
New Zealand	05/31	1.50	81.86	4.06	0.04	-0.08	-0.08	1.70
	09/40	2.50	123.82	2.12	-0.03	-0.14	-0.14	1.39
Norway	08/30	1.38	89.15	2.97	-0.06	-0.18	-0.18	1.53
Poland	01/23	2.50	99.40	7.25	0.11	-0.04	-0.04	4.56
	07/27	2.50	83.83	6.67	-0.14	-0.19	-0.19	3.43
	04/47	4.00	63.69	7.20	0.00	-0.35	-0.35	3.68
Portugal	04/27	4.13	108.18	2.13	-0.04	-0.18	-0.18	2.44
Spain	-	-	-	-	-	-	-	-
	10/29	0.60	88.40	2.45	-0.04	-0.19	-0.19	2.36
	10/46	2.90	97.92	3.02	-0.02	-0.15	-0.15	2.06
Sweden	06/30	0.13	117.27	-0.26	0.00	0.00	0.00	1.90
	03/39	3.50	127.32	1.59	-0.06	-0.23	-0.23	1.24
Switzerland	04/28	4.00	115.83	0.94	0.03	-0.05	-0.05	1.39
	06/29	0.00	94.08	0.94	0.02	-0.06	-0.06	1.32
United Kingdom	07/23	0.75	98.55	3.12	-0.05	-0.07	-0.07	2.78
	07/27	1.25	91.69	3.20	-0.03	-0.08	-0.08	2.67
	07/47	1.50	66.68	3.54	0.02	0.03	0.03	2.67
United States	-	-	-	-	-	-	-	-
	03/25	0.50	92.14	4.10	-0.11	-0.13	-0.13	3.04
	02/30	1.50	87.66	3.45	-0.12	-0.25	-0.25	2.03
	02/50	0.25	76.52	1.27	-0.05	-0.37	-0.37	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

GILTS: UK CASH MARKET

Dec 08	Price £	Red Yield	Change in Yield Day	Change in Yield Week	Change in Yield Month	Change in Yield Year	52 Week High	52 Week Low	Amnt £m
-	-	-	-	-	-	-	-	-	-
Tr 0.75pc '23	98.56	3.12	0.97	0.32	1.63	975.86	100.82	97.34	34.36
Tr 0.125pc '24	96.42	3.34	1.52	0.91	2.14	659.09	99.44	94.34	35.55
Tr 2pc '25	96.86	3.20	0.95	0.63	-0.93	595.65	105.86	93.15	39.93
Tr 0.125pc '26	91.24	3.07	0.33	0.33	-6.40	553.19	98.77	86.33	35.32
Tr 1.25pc '27	91.78	3.18	0.00	-0.63	-8.62	511.54	104.30	85.65	40.99
Tr 0.875pc '29	86.53	3.06	0.33	-2.55	-12.32	378.13	102.36	78.21	43.62
Tr 4.25pc '32	109.60	3.08	0.98	-0.96	-13.24	300.00	135.62	98.13	40.33
Tr 4.25pc '36	109.35	3.37	0.90	-0.59	-11.78	291.86	145.65	94.91	31.68
Tr 4.5pc '42	113.33	3.56	0.85	1.42	-8.95	304.55	169.20	93.79	28.35
Tr 3.75pc '52	104.25	3.52	1.44	2.62	-6.13	329.27	179.34	82.51	25.11
Tr 4pc '60	114.53	3.32	1.53	3.11	-5.95	395.52	212.01	87.32	25.13

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices / Fixed Coupon	Dec 08	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	81.89	-0.04	2355.71	0.54	-4.47	3.22
2 5 - 10 Years	151.38	-0.13	3221.79	3.05	-13.50	3.11
3 10 - 15 Years	165.15	-0.29	3794.60	5.36	-20.53	3.34
4 5 - 15 Years	153.82	-0.18	3360.07	3.68	-15.75	3.20
5 Over 15 Years	232.17	-0.76	3997.47	5.46	-39.27	3.43
7 All stocks	140.88	-0.34	3146.48	3.27	-23.38	3.36

Index Linked	Dec 08	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	326.65	-0.03	0.04	2.12	2762.09	0.30	3.29
2 Over 5 years	562.64	-1.37	0.68	-39.70	4288.61	0.81	-39.42
3 5-15 years	461.99	-0.50	1.99	-16.88	3736.47	2.15	-16.25
4 Over 15 years	639.89	-1.95	-0.39	-48.64	4735.11	-0.27	-48.48
5 All stocks	530.79	-1.16	0.63	-35.51	4127.36	0.78	-35.16

Yield Indices	Dec 08	Dec 07	Yr ago		Dec 08	Dec 07	Yr ago
5 Yrs	3.05	3.03	0.48	20 Yrs	3.56	3.52	0.93
10 Yrs	3.23	3.21	0.76	45 Yrs	3.18	3.13	0.54
15 Yrs	3.46	3.44	0.91				

Real yield	inflation 0% Dec 08	inflation 0% Dur yrs	inflation 0% Previous	inflation 0% Yr ago	inflation 5% Dec 08	inflation 5% Dur yrs	inflation 5% Previous	inflation 5% Yr ago
Up to 5 yrs	-0.37	2.79	-0.38	-4.13	-0.69	2.81	-0.71	-4.51
Over 5 yrs	0.23	20.10	0.16	-2.60	0.21	20.15	0.14	-2.62
5-15 yrs	-0.06	9.73	-0.11	-3.25	-0.14	9.74	-0.20	-3.33
Over 15 yrs	0.30	26.73	0.23	-2.52	0.29	26.74	0.22	-2.53
All stocks	0.22	17.33	0.15	-2.62	0.18	17.41	0.12	-2.64

See FTSE website for more details www.ftse.com/products/indices/gilts

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COMMODITIES

www.ft.com/commodities

Energy		Price*	Change
Crude Oil†	Jan	74.97	2.96
Brent Crude Oil‡		77.34	0.17
RBOB Gasoline†	Jan	2.12	0.04
Natural Gas†	Jan	5.90	0.18
Base Metals (♠ LME 3 Months)			
Aluminium		2528.00	25.00
Aluminium Alloy		1675.00	-905.00
Copper		8581.00	86.00
Lead		2215.50	2.50
Nickel		31165.00	505.00
Tin		24625.00	230.00
Zinc		3256.00	41.00
Precious Metals (PM London Fix)			
Gold		1782.20	8.40
Silver (US cents)		2238.50	-15.50
Platinum		1003.00	5.00
Palladium		1842.00	-30.00
Bulk Commodities			
Iron Ore		107.09	-1.40
Baltic Dry Index		1373.00	33.00
Richards Bay ICE Futures		243.50	-6.00

Agricultural & Cattle Futures		Price*	Change
Corn♦	Mar	643.00	1.75
Wheat♦	Mar	751.75	2.25
Soybeans♦	Jan	1476.75	4.75
Soybeans Meal♦	Jan	458.70	-0.30
Cocoa (ICE Liffe)✠	Mar	1978.00	23.00
Cocoa (ICE US)♥	Mar	2517.00	25.00
Coffee(Robusta)✠	Jan	1922.00	4.00
Coffee (Arabica)♥	Dec	158.50	0.80
White Sugar✠		542.60	5.50
Sugar 11♥		19.80	0.32
Cotton♥	Mar	82.50	0.67
Orange Juice♥	Jan	223.00	4.50
Live Cattle♣	Dec	152.03	0.48
Feeder Cattle♣	May	134.88	-
Lean Hogs♣	Feb	86.53	-0.40

	Dec 07	% Chg Month	% Chg Year
S&P GSCI Spt	577.69	-11.05	5.60
DJ UBS Spot	111.85	-3.87	15.00
TR/CC CRB TR	287.67	-7.00	19.88
LEBA EUA Carbon	58.91	-1.98	129.94
LEBA UK Power	1048.00	-37.43	-39.60

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ✠ ICE Liffe, ♥ ICE Futures, ♣ CME, ♠ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

BONDS: INDEX-LINKED

	Price Dec 07	Yield Dec 07	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	112.29	1.083	1.088	1.27	5.25	75936.73	8
Fr 0.25%' 24	102.94	-1.523	-1.551	0.27	17.92	262999.82	17
Swe 1.00%' 25	125.71	-0.212	-0.212	0.05	35.38	219933.04	6
UK 0.125%' 24	103.83	-2.777	-2.806	0.33	15.24	592333.07	31
UK 2.50%' 24	378.32	-0.780	-0.750	0.23	6.82	592333.07	31
UK 2.00%' 35	253.16	-0.081	-0.062	-0.19	9.08	592333.07	31
US 0.625%' 24	97.88	2.588	2.637	-0.06	40.98	1658813.36	47
US 3.625%' 28	111.21	1.441	1.495	0.55	16.78	1658813.36	47

Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	3.35	1.63	-0.10
Austria	2.19	0.47	-1.26
Canada	2.74	1.02	-0.71
Denmark	2.01	0.29	-1.44
Finland	2.25	0.53	-1.20
Germany	1.72	0.00	-1.73
Italy	1.24	-0.49	-2.21
Japan	0.19	-1.54	-3.26
Netherlands	1.90	0.18	-1.55
New Zealand	4.06	2.34	0.61
Norway	2.97	1.25	-0.48
Portugal	2.13	0.41	-1.32
Spain	2.45	0.72	-1.00
Sweden	-0.26	-1.98	-3.71
Switzerland	0.94	-0.79	-2.51
United States	3.45	1.73	0.00

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

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MORNINGSTAR®

MANAGED FUNDS SERVICE

abrdn Capital (CI) Limited (JER)
PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130
FCA Recognised
abrdn Capital Offshore Strategy Fund Limited

Fund	Bid	Offer	D+/-	Yield
Bridge Fund	£ 2.1758	-	0.0007	1.91
Global Equity Fund	£ 3.2279	-	-0.0045	1.21
Global Fixed Interest Fund	£ 0.7563	-	0.0021	5.58
Income Fund	£ 0.6282	-	-0.0003	3.17
Sterling Fixed Interest Fund	£ 0.6939	-	0.0015	3.74
UK Equity Fund	£ 1.9611	-	-0.0060	3.83

Algebris Investments (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
Algebris Financial Credit I EUR	€ 174.65	-	0.37	0.00
Algebris Financial Credit R EUR	€ 150.24	-	0.30	0.00
Algebris Financial Credit Rd EUR	€ 91.93	-	0.19	5.59
Algebris Financial Income I EUR	€ 177.21	-	-1.04	-
Algebris Financial Income R EUR	€ 161.25	-	-0.94	-
Algebris Financial Income Rd EUR	€ 98.83	-	-0.58	-
Algebris Financial Equity B EUR	€ 157.54	-	-1.24	0.00
Algebris Financial Equity R EUR	€ 132.48	-	-1.04	0.00
Algebris IG Financial Credit I EUR	€ 96.50	-	0.19	0.00
Algebris IG Financial Credit R EUR	€ 95.01	-	0.19	0.00
Algebris Global Credit Opportunities I EUR	€ 124.95	-	0.30	0.00
Algebris Global Credit Opportunities R EUR	€ 121.97	-	0.30	-
Algebris Global Credit Opportunities Rd EUR	€ 107.23	-	0.27	-
Algebris Core Italy I EUR	€ 140.54	-	-0.06	0.00
Algebris Core Italy R EUR	€ 133.41	-	-0.05	0.00

The Antares European Fund Limited
Other International

Fund	Bid	Offer	D+/-	Yield
AEF Ltd Usd	$ 562.26	-	10.91	0.00
AEF Ltd Eur	€ 518.24	-	10.01	0.00

Artemis Fund Managers Ltd (1200)F (UK)
57 St. James's Street, London SW1A 1LD 0800 092 2051
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Artemis Corporate Bond I Acc	98.80	-	-0.11	-
Artemis Positive Future Fund	67.05	-	-0.84	-
Artemis Target Return Bond I Acc	104.60	-	0.01	2.79

Ashmore Group
61 Aldwych, London WC2B 4AE. Dealing team: +352 27 62 22 233
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Emerging Markets Equity Fund	$ 114.42	-	-1.13	-
Emerging Markets Equity ESG Fund	$ 128.75	-	-1.38	-
Emerging Markets Frontier Equity Fund	$ 177.84	-	-0.73	0.39
Emerging Markets Blended Debt Fund	$ 52.46	-	0.14	6.26
Emerging Markets Blended Debt ESG Fund	$ 84.14	-	0.27	0.00
Emerging Markets Active Equity Fund	$ 117.07	-	-1.47	-
Emerging Markets Corporate Debt Fund	$ 59.56	-	0.04	9.48
Emerging Markets Debt Fund	$ 57.63	-	0.16	7.52
Emerging Markets Local Currency Bond Fund	$ 60.07	-	0.16	4.18

Atlantas Sicav (LUX)
Regulated

Fund	Bid	Offer	D+/-	Yield
American Dynamic	$ 6513.80	-	103.20	-
American One	$ 6691.32	-	63.55	0.00
Bond Global	€ 1581.48	1581.48	10.04	0.00
Eurocroissance	€ 1320.13	-	3.55	-
Far East	$ 1002.99	-	34.00	0.00

Blue Whale Investment Funds ICAV (IRE)
www.bluewhale.co.uk, info@bluewhale.co.uk
FCA Recognised - Ireland UCITS

Fund	Bid	Offer	D+/-	Yield
Blue Whale Growth USD T	$ 8.67	-	-0.01	0.00

Brooks Macdonald International Fund Managers Limited (JER)
5 Anley Street, St Helier, Jersey, JE2 3QE
+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)
Brooks Macdonald International Investment Funds Limited

Fund	Bid	Offer	D+/-	Yield
Euro High Income	€ 1.2389	-	0.0004	2.50
High Income	£ 0.6650	-	0.0023	3.77
Sterling Bond	£ 1.2717	-	0.0042	2.06

Brooks Macdonald International Multi Strategy Fund Limited

Fund	Bid	Offer	D+/-	Yield
Balanced Strategy A	£ 0.9069	-	-0.0039	0.57
Balanced Strategy	£ 0.9060	-	-0.0039	0.09
Cautious Balanced Strategy A	£ 0.8851	-	-0.0032	1.12
Growth Strategy A	£ 0.9081	-	-0.0043	-
High Growth Strategy A	£ 0.9014	-	-0.0041	0.12
Cautious Balanced Strategy	£ 1.2378	-	-0.0044	0.00
Growth Strategy	£ 1.9002	-	-0.0090	0.00
High Growth Strategy	£ 2.6433	-	-0.0121	0.00
US$ Growth Strategy	$ 1.6216	-	-0.0081	0.00

Dealing Daily. Initial Charge Nil for A classes and up to 2% for other classes

CG Asset Management Limited (IRL)
25 Moorgate, London, EC2R 6AY
Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859
FCA Recognised
CG Portfolio Fund Plc

Fund	Bid	Offer	D+/-	Yield
Absolute Return Cls M Inc	£ 135.50	136.11	0.08	1.65
Capital Gearing Portfolio GBP V	£ 181.68	182.68	0.13	-
Capital Gearing Portfolio GBP P	£ 37356.60	37562.58	26.95	-
Dollar Fund Cls D Inc	£ 170.16	170.16	4.08	1.20
Dollar Hedged GBP Inc	£ 94.03	94.03	1.59	1.21
Real Return Cls A Inc	£ 203.50	204.11	1.47	1.68

Chartered Asset Management Pte Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
CAM-GTF VCC	$ 284820.86	284820.86	7885.91	-
CAM GTi VCC	$ 780.49	-	-32.39	-
RAIC VCC	$ 1.64	1.64	0.03	2.06

Dodge & Cox Worldwide Funds (IRL)
48-49 Pall Mall, London SW1Y 5JG.
www.dodgeandcox.worldwide.com 020 3713 7664
FCA Recognised
Dodge & Cox Worldwide Funds plc - Global Bond Fund

Fund	Bid	Offer	D+/-	Yield
EUR Accumulating Class	€ 15.90	-	0.01	0.00
EUR Accumulating Class (H)	€ 10.40	-	0.04	0.00
EUR Distributing Class	€ 11.65	-	0.00	0.96
EUR Distributing Class (H)	€ 7.56	-	0.03	1.01
GBP Distributing Class	£ 12.29	-	-0.03	0.86
GBP Distributing Class (H)	£ 8.09	-	0.03	1.11
USD Accumulating Class	$ 12.05	-	0.05	0.00

Dodge & Cox Worldwide Funds plc-Global Stock Fund

Fund	Bid	Offer	D+/-	Yield
USD Accumulating Share Class	$ 28.27	-	-0.15	-
GBP Accumulating Share Class	£ 38.08	-	-0.43	-
GBP Distributing Share class	£ 25.70	-	-0.29	-
EUR Accumulating Share Class	€ 40.39	-	-0.37	-
GBP Distributing Class (H)	£ 13.12	-	-0.07	0.53

Dodge & Cox Worldwide Funds plc-U.S. Stock Fund

Fund	Bid	Offer	D+/-	Yield
USD Accumulating Share Class	$ 37.90	-	-0.06	0.00
GBP Accumulating Share Class	£ 48.28	-	-0.37	-
GBP Distributing Share Class	£ 28.98	-	-0.22	0.16
EUR Accumulating Share Class	€ 46.76	-	-0.26	0.00
GBP Distributing Class (H)	£ 15.05	-	-0.02	0.19

Dragon Capital
www.dragoncapital.com
Fund information:info@dragoncapital.com
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Vietnam Equity (UCITS) Fund A USD	$ 25.06	-	0.68	0.00

EdenTree Investment Management Ltd (UK)
PO Box 3733, Swindon, SN4 4BG, 0800 358 3010
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
EdenTree Short Dated Bond Cls B	93.44	-	0.11	-

Euronova Asset Management UK LLP (CYM)
Regulated

Fund	Bid	Offer	D+/-	Yield
Smaller Cos Cls One Shares	€ 51.74	-	-0.11	0.00
Smaller Cos Cls Two Shares	€ 33.03	-	-0.07	0.00
Smaller Cos Cls Three Shares	€ 16.48	-	-0.04	0.00
Smaller Cos Cls Four Shares	€ 21.73	-	-0.04	0.00

Fidelity Investments International
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Emerging Mkts NAV	£ 7.21	-	-0.16	1.91

FIL Investment Services (UK) Limited (1200)F (UK)
Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, KT20 6RP
Callfree: Private Clients 0800 414161
Broker Dealings: 0800 414 181
OEIC Funds

Fund	Bid	Offer	D+/-	Yield
Index Sterling Corporate Bond Fund P-ACC-GBP	£ 0.84	-	0.00	-
Sustainable Multi Asset Balanced Fund W-ACC-GBP	£ 0.92	-	-0.01	1.57
American Fund W-ACC-GBP	£ 51.09	-	-0.50	0.00
Cash Fund W-ACC-GBP	£ 1.03	-	0.00	-
Emerg Europe, Middle East and Africa Fund W-ACC-GBP	£ 1.62	-	-0.01	4.60
Sustainable Global Equity Fund W-ACC-GBP	£ 32.32	-	-0.30	0.00
Global High Yield Fund W-ACC-GBP	£ 13.71	-	-0.03	5.65
Japan Fund W-ACC-GBP	£ 5.39	-	-0.03	-
Japan Smaller Companies Fund W-ACC-GBP	£ 3.41	-	-0.03	-
Select 50 Balanced Fund PI-ACC-GBP	£ 1.12	-	0.00	-
Special Situations Fund W-ACC-GBP	£ 42.00	-	-0.19	1.97
Short Dated Corporate Bond Fund W-ACC-GBP	£ 10.46	-	0.00	-
Sustainable Water & Waste W-ACC-GBP	£ 1.11	-	-0.01	-
Sustainable Water & Waste W-INC-GBP	£ 1.10	-	-0.01	0.14
UK Select Fund W-ACC-GBP	£ 3.64	-	-0.02	-
Global Enhanced Income W-ACC-GBP	£ 2.30	-	0.00	-
Index UK Gilt Fund P-ACC-GBP	£ 0.77	-	0.00	0.58
Sustainable Multi Asset Conservative Fund W-ACC-GBP	£ 0.89	-	-0.01	1.70
Sustainable Multi Asset Growth Fund W-ACC-GBP	£ 0.94	-	-0.01	-

Findlay Park Funds Plc (IRL)
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
American EUR Unhedged Class	€ 151.84	-	-0.19	-
American Fund USD Class	$ 159.48	-	-0.19	-
American Fund GBP Hedged	£ 78.31	-	-0.10	0.00
American Fund GBP Unhedged	£ 130.76	-	0.15	-

Foord Asset Management
Website: www.foord.com - Email: info@foord.com
FCA Recognised - Luxembourg UCITS

Fund	Bid	Offer	D+/-	Yield
Foord International Fund | R	$ 49.41	-	-0.39	0.00
Foord Global Equity Fund (Lux) | R	$ 15.89	-	-0.18	0.00

Regulated

Fund	Bid	Offer	D+/-	Yield
Foord Global Equity Fund (Sing) | B	$ 18.92	-	-0.23	0.00
Foord International Trust (Gsy)	$ 48.15	-	-0.38	0.00

GAM
funds@gam.com, www.funds.gam.com
Regulated

Fund	Bid	Offer	D+/-	Yield
LAPIS GBL TOP 50 DIV.YLD-Na-D	£ 124.75	-	0.56	-
LAPIS GBL F OWD 50 DIV.YLD-Na-D	£ 98.54	-	-0.44	-

Guinness Global Investors

Fund	Bid	Offer	D+/-	Yield
Guinness Global Equity Income Y GBP Dist	£ 18.59	-	-0.06	2.22
Guinness Global Innovators Y GBP Acc	£ 24.35	-	-0.01	-
Guinness Sustainable Global Equity Y GBP Acc	£ 10.92	-	0.02	0.00

HPB Assurance Ltd
Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490
International Insurances

Fund	Bid	Offer	D+/-	Yield
Holiday Property Bond Ser 1	£ 0.48	-	0.00	0.00
Holiday Property Bond Ser 2	£ 0.63	-	0.00	0.00

Janus Henderson Investors (UK)
PO Box 9023, Chelmsford, CM99 2WB Enquiries: 0800 832 832
www.janushenderson.com
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Janus Henderson Instl UK Idx Opps A Acc	£ 1.11	-	-0.01	2.91

M & G Securities (1200)F (UK)
PO Box 9038, Chelmsford, CM99 2XF
www.mandg.co.uk/charities Enq./Dealing: 0800 917 4472
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.11	-	0.00	1.99
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 39.54	-	0.09	1.61
M&G Charity Multi Asset Fund Inc	£ 0.88	-	0.00	-
M&G Charity Multi Asset Fund Acc	£ 105.68	-	-0.06	-

MMIP Investment Management Limited (GSY)
Regulated
Multi-Manager Investment Programmes PCC Limited

Fund	Bid	Offer	D+/-	Yield
UK Equity Fd Cl A Series 01	£ 2810.68	2842.19	142.84	0.00
Diversified Absolute Rtn Fd USD Cl AF2	$ 1588.98	-	5.05	-
Diversified Absolute Return Stlg Cell AF2	£ 1474.75	-	6.33	-
Global Equity Fund A Lead Series	£ 1721.66	1727.57	67.75	-

Marwyn Asset Management Limited (CYM)
Regulated

Fund	Bid	Offer	D+/-	Yield
Marwyn Value Investors	£ 329.72	-	-6.14	0.00

Milltrust International Managed Investments ICAV (IRL)
mimi@milltrust.com, +44(0)20 8123 8316 www.milltrust.com
Regulated

Fund	Bid	Offer	D+/-	Yield
British Innovation Fund	£ 121.92	-	2.89	0.00
MAI - Buy & Lease (Australia)	A$ 103.45	-	0.50	0.00
MAI - Buy & Lease (New Zealand)	NZ$ 91.20	-	-6.06	0.00
Milltrust Global Emerging Markets Fund - Class A	$ 94.52	-	-0.36	0.00

Milltrust International Managed Investments SPC
em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com
Regulated

Fund	Bid	Offer	D+/-	Yield
Milltrust Alaska Brazil SP A	$ 78.86	-	-0.50	0.00
Milltrust Laurium Africa SP A	$ 103.73	-	0.41	0.00
Milltrust Marcellus India Fund	$ 128.75	-	-0.59	0.00
Milltrust Singular ASEAN SP Founders	$ 128.89	-	-0.83	0.00
Milltrust SPARX Korea Equity SP A	$ 100.06	-	-0.34	0.00
Milltrust Xingtai China SP A	$ 101.40	-	-1.65	0.00
The Climate Impact Asia Fund SP (Class A)	$ 77.17	-	-0.45	0.00
The Climate Impact Asia Fund (Class B)	$ 76.55	-	-0.45	0.00

Mirabaud Asset Management (LUX)
www.mirabaud.com, marketing@mirabaud-am.com
Conviction based investment vehicles details available here www.mirabaud-am.com
Regulated

Fund	Bid	Offer	D+/-	Yield
Mir. - Glb Strat. Bd I USD	$ 116.36	-	0.29	-
Mir. - DiscEur D Cap GBP	£ 160.22	-	-1.02	-
Mir. - UKEq HA Cap I GBP	£ 135.91	-	-0.55	0.00

Oasis Crescent Global Investment Funds (UK) ICVC (UK)
Regulated

Fund	Bid	Offer	D+/-	Yield
Oasis Crescent Global Equity Fund USD A (Dist)	$ 33.71	-	-0.65	0.24
Oasis Crescent Global Income Fund USD A (Dist)	$ 10.05	-	0.01	2.72
Oasis Crescent Global Low Equity Fund USD D (Dist)	$ 12.18	-	-0.03	0.59
Oasis Crescent Global Medium Equity Fund USD A (Dist)	$ 13.49	-	-0.03	0.14
Oasis Crescent Global Property Equity Fund USD A (Dist)	$ 7.67	-	0.01	0.93
Oasis Crescent Global Short Term Income Fund USD A (Dist)	$ 0.94	-	0.01	1.88
Oasis Crescent Variable Fund GBP A (Dist)	£ 9.62	-	-0.05	0.17

Omnia Fund Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Estimated NAV	$ 936.92	-	-9.18	0.00

Orbis Investments (U.K.) Limited (GBR)
28 Dorset Square, London, NW1 6QG
www.orbis.com 0800 358 2030
Regulated

Fund	Bid	Offer	D+/-	Yield
Orbis OEIC Global Cautious Standard	£ 11.74	-	0.00	-
Orbis OEIC Global Balanced Standard	£ 18.92	-	-0.04	-
Orbis OEIC Global Equity Standard	£ 21.19	-	-0.17	-
Orbis OEIC UK Equity Standard	£ 11.18	-	-0.08	3.21

Platinum Capital Management Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Platinum All Star Fund - A	$ 141.55	-	-	-
Platinum Global Growth UCITS Fund	$ 8.01	-	-0.13	0.00
Platinum Essential Resources UCITS Fund SICAV USD Class E	$ 11.26	-	-0.24	0.00
Platinum Global Dividend UCITS Fund	$ 47.40	-	-0.55	0.00

Polar Capital Funds Plc (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
Automation & Artificial Intelligence CL I USD Acc	$ 14.23	14.23	-0.08	-
Asian Starts I USD Acc $	$ 14.22	-	-0.26	0.00
Biotechnology I USD	$ 38.42	38.42	0.16	0.00
China Stars I USD Acc $	$ 11.09	11.09	-0.22	0.00
Emerging Market Stars I USD Acc	$ 11.18	-	-0.19	-
European Ex UK Inc EUR Acc	€ 14.12	14.12	-0.02	0.00
Financial Opps I USD	$ 13.54	-	-0.07	2.56
Global Convertible I USD	$ 13.58	13.58	-0.02	0.00
Global Insurance I GBP	£ 10.04	-	-0.07	0.00
Global Technology I USD	$ 60.75	-	-0.30	0.00
Healthcare Blue Chip Fund I USD Acc	$ 18.45	18.45	0.13	0.00
Healthcare Dis I Acc USD $	$ 11.79	-	-0.01	0.00
Healthcare Opps I USD	$ 64.43	-	0.20	0.00
Income Opportunities B2 I GBP Acc	£ 2.92	2.92	0.00	0.00
Japan Value I JPY	¥ 139.49	139.49	-0.47	0.00
North American I USD	$ 32.03	32.03	-0.19	0.00
Smart Energy I USD Acc $	$ 9.00	9.00	-0.04	0.00
Smart Mobility I USD Acc $	$ 8.43	8.43	-0.06	0.00
UK Val Opp I GBP Acc	£ 11.82	11.82	-0.04	0.00

Private Fund Mgrs (Guernsey) Ltd (GSY)
Regulated

Fund	Bid	Offer	D+/-	Yield
Monument Growth 06/12/2022	£ 545.40	550.74	-0.29	1.06

Prusik Investment Management LLP (IRL)
Enquiries - 0207 493 1331
Regulated

Fund	Bid	Offer	D+/-	Yield
Prusik Asian Equity Income B Dist	$ 175.97	-	1.40	4.58
Prusik Asia Emerging Opportunities Fund A Acc	$ 182.89	-	-0.34	0.00
Prusik Asia Fund U Dist.	£ 210.55	-	0.85	-
Prusik Asia Sustainable Growth Fund A Acc	$ 88.02	-	0.96	-

Purisima Investment Fds (CI) Ltd (JER)
Regulated

Fund	Bid	Offer	D+/-	Yield
PCG B ✠	273.97	-	-2.43	0.00
PCG C ✠	266.52	-	-2.37	0.00

Ram Active Investments SA
www.ram-ai.com
Other International Funds

Fund	Bid	Offer	D+/-	Yield
RAM Systematic Emerg Markets Eq	$ 210.34	210.34	-1.28	-
RAM Systematic European Eq	€ 510.65	510.65	-1.50	-
RAM Systematic Funds Global Sustainable Income Eq	$ 148.24	148.24	0.07	0.00
RAM Systematic Global Eq Sustainable Alpha	$ 109.19	109.19	0.13	-
RAM Systematic Long/Short European Eq	€ 153.20	153.20	1.27	-
RAM Systematic US Sustainable Eq	$ 338.26	338.26	-0.48	-
RAM Tactical Global Bond Total Return	€ 139.10	139.10	0.24	-
RAM Tactical II Asia Bond Total Return	$ 143.08	143.08	0.14	-

Ruffer LLP (1000)F (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 601 9610
Authorised Inv Funds
Authorised Corporate Director - Link Fund Solutions

Fund	Bid	Offer	D+/-	Yield
LF Ruffer Diversified Rtrn C Acc	106.46	-	0.11	0.85
LF Ruffer Diversified Rtrn C Inc	105.57	-	0.10	0.94
LF Ruffer European C Acc	765.58	-	2.11	0.82
LF Ruffer European C Inc	137.34	-	0.38	-
LF Ruffer Equity & General C Acc	557.38	-	-6.38	0.77
LF Ruffer Equity & General C Inc	503.57	-	-5.77	0.78
LF Ruffer Gold C Acc	221.94	-	1.79	0.00
LF Ruffer Gold C Inc	134.33	-	1.09	-
LF Ruffer Japanese C Inc	157.08	-	-3.01	0.25
LF Ruffer Japanese C Acc	338.40	-	-6.49	0.24
LF Ruffer Total Return C Acc	572.90	-	2.43	2.41
LF Ruffer Total Return C Inc	357.29	-	1.52	2.46

Rubrics Global UCITS Funds Plc (IRL)
www.rubricsam.com
Regulated

Fund	Bid	Offer	D+/-	Yield
Rubrics Emerging Markets Fixed Income UCITS Fund	$ 132.63	-	0.30	-
Rubrics Global Credit UCITS Fund	$ 16.61	-	0.01	-
Rubrics Global Fixed Income UCITS Fund	$ 170.22	-	0.40	-

Slater Investments Ltd (UK)
www.slaterinvestments.com; Tel: 0207 220 9460
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Slater Growth A Acc	633.28	633.28	-5.68	0.00
Slater Income A Inc	140.31	140.31	-0.52	5.22
Slater Recovery A Acc	329.62	329.62	-3.39	0.00
Slater Artorius	289.18	289.18	-0.59	0.00

Stonehage Fleming Investment Management Ltd (IRL)
www.stonehagefleming.com/gbi
enquiries@stonehagefleming.com
Regulated

Fund	Bid	Offer	D+/-	Yield
SF Global Best Ideas Eq B USD ACC	$ 218.69	-	-0.98	-
SF Global Best Ideas Eq D GBP INC	£ 272.08	-	-0.58	-

Superfund Asset Management GmbH
www.superfund.com, +43 (1) 247 00
Other International Funds
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Superfund Green Gold	$ 1191.96	-	-10.47	0.00
Superfund Green Silver	$ 1050.24	-	-13.78	0.00

Regulated

Fund	Bid	Offer	D+/-	Yield
Superfund Green US$	$ 952.87	-	-8.96	0.00

Toscafund Asset Management LLP (UK)
www.toscafund.com
Authorised Funds

Fund	Bid	Offer	D+/-	Yield
Aptus Global Financials B Acc	£ 4.72	-	-0.03	4.03
Aptus Global Financials B Inc	£ 3.05	-	-0.02	4.51

Toscafund Asset Management LLP
www.toscafund.com

Fund	Bid	Offer	D+/-	Yield
Tosca A USD	$ 406.01	-	8.84	0.00
Tosca Mid Cap GBP	£ 174.84	-	4.39	0.00
Tosca Opportunity B USD	$ 267.84	-	6.72	0.00
Pegasus Fund Ltd A-1 GBP	£ 41.68	-	1.06	0.00

Troy Asset Mgt (1200) (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 608 0950
Authorised Inv Funds
Authorised Corporate Director - Link Fund Solutions
Trojan Investment Funds

Fund	Bid	Offer	D+/-	Yield
Trojan Ethical O Acc	125.32	-	0.04	0.00
Trojan Ethical Global Inc O Acc	100.78	-	-0.42	2.54
Trojan Ethical Global Inc O Inc	98.28	-	-0.41	2.56
Trojan Ethical O Inc	125.07	-	0.04	0.00

Zadig Gestion (Memnon Fund) (LUX)
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Memnon European Fund - Class U2 GBP	£ 234.07	-	-1.66	0.00

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ARTS

The problem with Will Smith's comeback movie

The week's new film releases reviewed by Danny Leigh and Leslie Felperin

Emancipation
Antoine Fuqua
★★☆☆☆

The Silent Twins
Agnieszka Smoczynska
★★★☆☆

Mr Bachmann and His Class
Maria Speth
★★★★☆

Nocebo
Lorcan Finnegan
★★★☆☆

Above: Will Smith, left, and Ben Foster in slavery drama 'Emancipation'. Below: Letitia Wright, right, and Tamara Lawrance in 'The Silent Twins'

An apology was always likely to preface **Emancipation**, the brawny drama of American slavery presented as a comeback for star Will Smith. And yet, in the end, the mea culpa came from co-producer Joey McFarland. At last week's premiere in Los Angeles, McFarland (who is white) caused surprise by pulling from his pocket a fragile historical artefact: an 1863 photograph of the slave whose escape the film is based on. He was known as "Whipped Peter", his back a nightmarish mass of scars. Now, McFarland said, he owned the original. It was, he explained, part of his "collection".

Controversy ensued, of course, not least at the photograph seeming to become a prop in an expensive promo campaign funded by backers Apple. Public contrition followed. But the episode still captures something of the essence of the project: a historical image of vast gravity, piggybacked by filmmakers prone to unwise decisions.

Director Antoine Fuqua, the two-fisted stylist best known for 2001 cop thriller *Training Day*, here works in black-and-white or thereabouts. (The effect is actually desaturated colour, like a Snapchat filter.) We open with a God's-eye view of a Louisiana cotton field, the crop a snowy dazzle. A first act of wrenching violence follows. In the thick of the civil war, Smith's Peter is taken from a plantation to lay railway tracks for the Confederacy. Barbarism reigns in a hellish mudscape. Among the overseers is a Kurtzian slave hunter, played by Ben Foster. The role will call to mind Barry Jenkins's outstanding series *The Underground Railroad*.

Jenkins's tour de force is only the highest bar from among the previous stories of slavery told by US film and television. Why another? For the same reason there are still films about the first world war or the Holocaust: because this is what people are capable of. But if Fuqua confronts us with that horror, his endless drone shots and slo-mo flourishes also put a jarring, action-movie sheen on it. When Peter escapes the railway camp into swampland, the film morphs into a survivalist epic. Smith is shortly doing battle with an alligator. (Sometimes, there is not much a review can add.)

Ahead of release, the chatter around *Emancipation* concerned the fate of Smith's career after this year's much-discussed Oscar ceremony. Your thoughts on the subject may recede watching the movie, partly due to Fuqua's tonal bedlam, but mostly because the star is still exactly that: a gifted screen performer. The problem with Smith isn't his presence. It's what the film does with it. The script leaves Peter a cipher, unimagined beyond the demands of the plot: suffer, fight alligators, seek a reunion with a family written as stick figures.

The frustration comes when, in fleeting moments, *Emancipation* becomes a better film. At different points, two haunting scenes involve children. One unfolds to the eerie strum of a harp. In another, the sweet-faced daughter of a genteel white family calls out in fury at the sight of Peter, summoning adults and a shotgun. Here, however briefly, are images not dwarfed by the original 1863 photograph. "We're going to make sure everybody in the world knows what slavery truly looks like," 19th-century abolitionists announce. And who could fail to hear the modern filmmakers telling themselves the same, as they step out on the red carpet? **DL**
On Apple TV Plus now

A biopic in duplicate, **The Silent Twins** does two things at once. First we have a dense, unnerving case study; second, a real-life British social history. The story is that of June and Jennifer Gibbons, born minutes apart to Barbadian parents in 1963 and brought up in the small Welsh town of Haverfordwest. But their true home is a private world, sealed so tight no one else gets in or out.

We meet the sisters as children. By then, silence has already descended, if only selectively. Rich and excitedly verbal tales are told behind their bedroom door; the narrated adventures of homemade dolls. But not a word is spoken to classmates, or even parents and other siblings. Family, schools, medical authorities: all despair.

On the other side of adolescence, enter Letitia Wright and Tamara Lawrance as the older June and Jennifer. Their deadly earnest pact has only grown more knotted; their invented stories now bizarrely soap-ish, if neatly typed. (June Gibbons would later be seen as an important "outsider writer".) But the real world brings a sting in the tail. Spoiler warning: a humdrum act of teenage vandalism finds the sisters indefinitely committed to Broadmoor psychiatric hospital.

Between the vivid performances of Wright and Lawrance, director Agnieszka Smoczynska reconstructs the Gibbons's ornately plotted fantasies. The air in their inner life is as close as you might imagine. Not much less claustrophobic is what lies outside. Smoczynska is Polish, but nails the murky grain of 1970s and '80s Britain, all ring roads and looming pylons an unlucky child is always clearly about to fly a kite into.

The film wants us to share space with the sisters, rather than diagnose them. The impulse is admirable, but narrows the field of vision. (Smoczynska doesn't much register the obvious isolation of black children in provincial Wales half a century ago.) But it also feels right that question marks remain. At least some of the mistreatment of the sisters lay in sheer, panicked bafflement. Clinical mystery lingers even now. And a still bigger puzzle too, of course: what it might *really* mean not to spend a life alone. **DL**
In cinemas and on Apple TV Plus now

Are you a parent of school-age children wondering if you should give their teacher a present for the holidays? Well then, the German documentary **Mr Bachmann and His Class** illustrates why there aren't enough boxes of chocolate in the world to reward what a good educator can achieve on a day-to-day basis.

Dieter Bachmann is nearing retirement age but still wearing AC/DC T-shirts in the classroom where he teaches a gaggle of 12-14-year-olds in the industrial town of Stadtallendorf in central Germany. The children vary widely in abilities and personality types, just as their families come from all over the world. Most of them seem to be of Turkish extraction, either the descendants of guest workers (*Gastarbeiter*) from the 1950s and '60s or more recent arrivals, but there are also many with Slavic roots, Moroccans and a girl of Brazilian parentage.

Bachmann treats each one with affection and individualised care, slowly drawing out their ambitions, intellectual curiosity and hidden talents. The curriculum is pretty free-flowing and spontaneous, including lots of time spent playing instruments and talking through interpersonal conflicts among the kids. Over the course of the film, you can practically see the kids growing up into mature, more confident adults.

With a running time that exceeds three and half hours, it can feel like you're watching this transformation in real time. But director Maria Speth's immersive technique is rewarding in its own right, carving out a space for intimacy between teacher, students, filmmaker and viewers that's respectful, remarkable and rewarding. Even more impressive is the singular lack of sentimentality, which means when it draws tears at the end, they feel entirely well-earned. **LF**
In UK cinemas and online in the US now

Irish director Lorcan Finnegan and screenwriter Garret Shanley have collaborated on two thoughtful, mostly well-received, low-budget but high-concept horror features (*Without Name* and *Vivarium*) and a short (*Foxes*). So far, their strong suit, in addition to striking visuals, has been keeping viewers guessing until late in the game as to whether the protagonists are delusional or in the presence of the uncanny.

Nocebo, their latest effort, has some of those same strengths but less suspense than usual. It starts with fashion designer Christine (Eva Green, great at suggesting barely suppressed hysteria; less good at outright hysteria). Her mental sewing machine suddenly runs out of bobbin thread when she receives some mysterious and tragic news, only explained later. At that same moment she is also bitten by a tick from a mangy dog that appears out of nowhere, suggesting possible Lyme disease and very bad karma.

Somehow, it all feels connected to Diana (Chai Fonacier, terrific), a Filipino woman who shows up unexpectedly and, like a malign Mary Poppins, announces that she's the new housekeeper. At first, Christine, her husband Felix (Mark Strong, somewhat wasted) and primary-school-aged daughter Bobs (Billie Gadsdon) are wary, but they are soon won over. This despite the fact that Diana proclaims she has witchy powers that will make everything better — only if Christine trusts her.

Flashbacks to Diana's life in the Philippines, including references to the cruelties of dictatorships and late-stage capitalism, point all too obviously to the eventual ending.

When all is revealed, it feels as if Finnegan and Shanley have artificially hefted more guilt on to poor Christine's shoulders in order to make her more deserving of punishment. But that unbalances the film's calculus of sympathy and detracts considerably from its verisimilitude.

Still, the use of deep-focus *Persona*-style shots of two faces aligned in uncomfortable proximity is striking, as are the eerie creaks and cracks of Jose Buencamino's soundtrack. **LF**
In UK cinemas and online in the US now

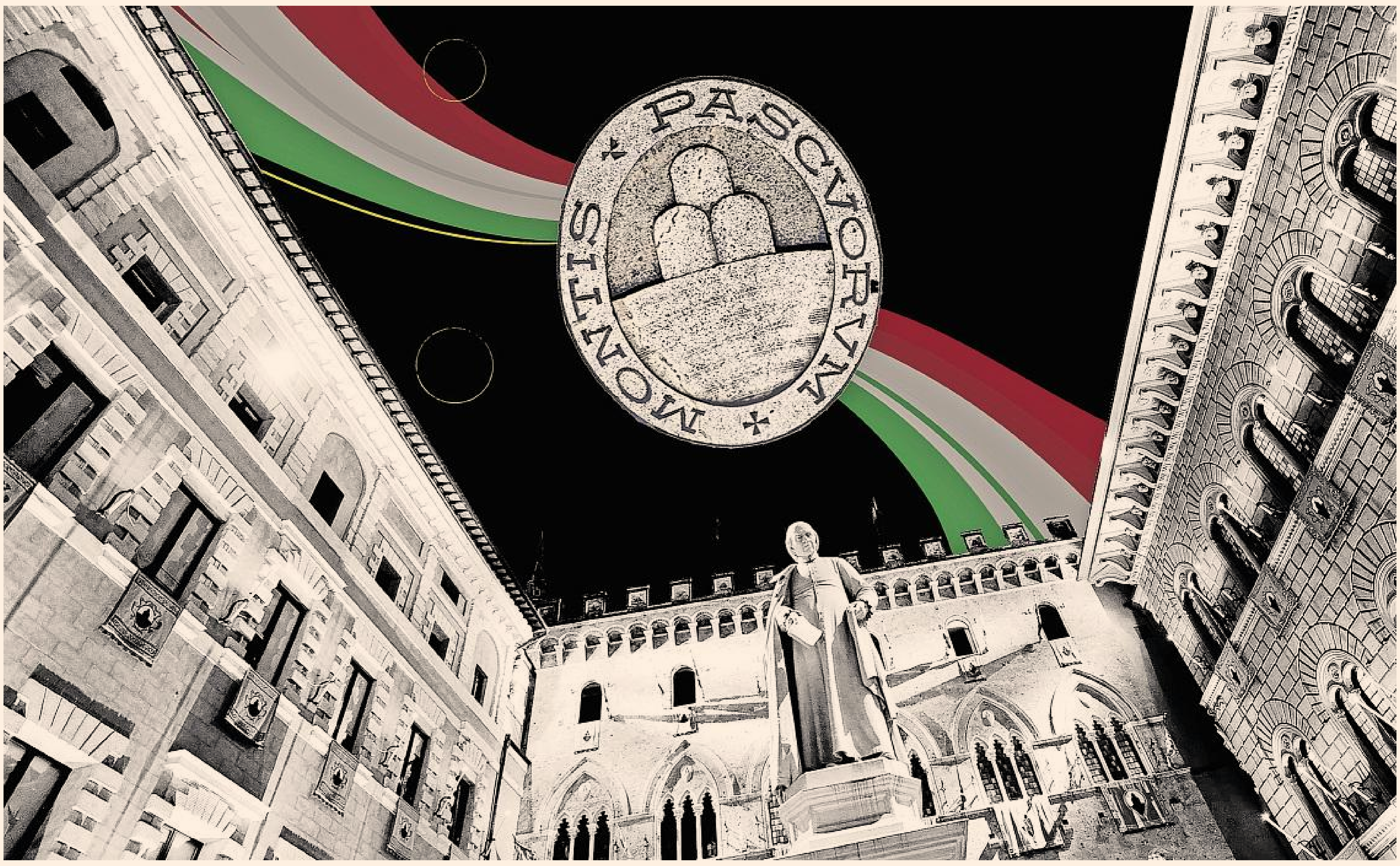
Left: Eva Green, left, and Chai Fonacier in the high-concept horror 'Nocebo'. Below: 'Mr Bachmann and His Class', about a devoted teacher and his young charges

FT BIG READ. FINANCIAL SERVICES

A banking saga nears its end

After 15 years of scandal and state aid, Rome was prepared to bend the rules to ensure that Monte dei Paschi, the world's oldest lender, could be safely sold off. Did it go too far?

By Silvia Sciorilli Borrelli



There's an old saying in the medieval Tuscan city of Siena that explains the importance of lender Monte dei Paschi for the local economy: "Every Sienese is either a current, retired or aspiring MPS employee."

The bank, which traces its history back to 1472, was the main backer of the city's numerous cultural, musical and sports events, including the annual Palio di Siena horse race, which still attracts tourists from all over the world each year. Up until a decade ago, its sponsorships of the city were worth some €33mn a year.

"Monte dei Paschi was Siena," says one former executive.

In some ways, it represented Italy too — an enduring symbol of the country's role in sowing the seeds of the modern banking system. The foundation that once controlled the bank had close ties to Italy's leftwing parties, with its board members appointed by local politicians.

Then it all came apart. The ill-fated acquisition of a rival in 2007 began a spiral into decline that has left it on life support for more than a decade. Billions of euros in state aid and multiple injections of capital failed to nurse it back to financial health and in 2017, it was nationalised in a €5.4bn government bailout.

This year, the Italian Treasury installed a new chief executive and attempted to revive it through yet another rights issue, its seventh in 14 years. The goal is to restructure the bank with a view to finally taking it private again. A first attempt last year was scuppered after Milan-based UniCredit and the Italian Treasury failed to agree the terms of the takeover.

'It was a mistake to fail to understand that you had a large part of the population exposed to the banks' debt'

Now, Italy's new nationalist government might have a fresh chance at finding a buyer after the controversial €2.5bn capital increase, which includes €1.6bn contributed by the Italian state, was a surprise success.

Yet to finalise the rights issue and move forward with privatisation the government must rely on Brussels turning a blind eye to what experts and investors have defined as a blatant case of rule-bending by Italy and the bank.

As shareholders showed little interest in its latest capital increase, MPS convinced a group of banks to underwrite the full private investors' share in exchange for a lucrative fee.

To further reduce their risk, these banks entered sub-underwriting agreements with other investors who agreed to mop up any unsold shares in their place in exchange for part of the banks' fees. That would seem to be in defiance of EU state aid rules saying the government can only take part in the capital increase if all investors — public and private — are subject to the same conditions.

Investors claimed the pool of banks and sub-underwriters had been offered substantial incentives in exchange for their backing, while Italian taxpayers were left to bear the full risk.

Even if the deal can be justified on a cost-benefit assessment, says Lucia Tajoli, an international markets and European institutions professor at Politecnico di Milano, "the fact that this is a violation of the rule book is undeniable".

However, the European Commission hasn't taken any action thus far, and Giancarlo Giorgetti, Italy's new finance minister, said this week that the government planned "an orderly exit" from MPS. The bank declined to comment on this story.

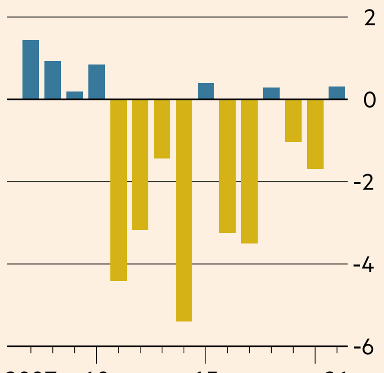
"MPS was one of the strategic assets of our country, the current situation doesn't allow any further mistakes," says Walter Rizzetto, a lawmaker for the governing Brothers of Italy party. "As the bank looks for a new owner we must carefully supervise events and make sure MPS is financially sound for years to come."

After 15 years of financial scandal, lacklustre rights issues, failed stress tests, and billions of euros in losses, both the EU and Italy just want to draw a line under the world's oldest bank.

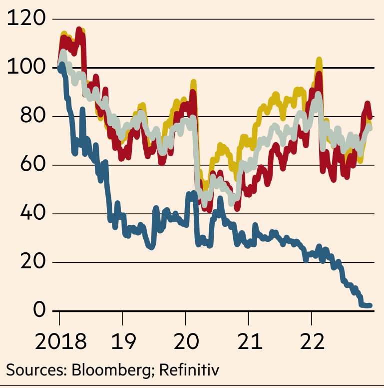
"It's better to let this pass," one other former MPS executive says. "Regulators will have a bigger problem if MPS ultimately fails and at some point somebody is going to have to explain how we got here . . . and those people sit in Frankfurt, Brussels and Rome."

Monte dei Paschi traces its history back to 1472; it has long been integral to the economy and culture of the medieval Tuscan city of Siena. However, the Italian government has little to show for the €20bn in state aid and private capital pumped into the bank over the past 15 years
FT montage: AFP/Getty Images

Monte dei Paschi's history of heavy losses
Net income attributable to common shareholders (€bn)



Monte dei Paschi has lost ground to rivals
Share prices rebased



Sources: Bloomberg; Refinitiv

Fifteen bad years

The trouble began in 2007, when the Bank of Italy greenlit MPS's takeover of local rival Antonveneta for €9bn. The acquisition was funded through a €5bn rights issue, a €1bn convertible instrument and billions in complex bonds.

"[The takeover] was the mother of all bad decisions," says Pierantonio Zanettin, a senator for the liberal Forza Italia, a junior coalition partner and formerly a member of the Italian parliament's committee inquiring into the banking and financial system.

"Any average book-keeper would have seen the numbers were not right," says one of the two former MPS executives, who joined the bank's management years after the takeover, "but the bank's management at the time were not finance experts. As for the regulator, it's hard to understand [how they didn't see it]."

The takeover was authorised by the Bank of Italy when former prime minister and former European Central Bank chief Mario Draghi was at its helm. The Bank of Italy says the deal "was authorised because its terms were in line with the criteria envisaged by the rules at the time".

"History will judge what happened next," says Lorenzo Codogno, a former Italian Treasury director.

In 2012, the bank applied for state aid, citing its large exposure to government bonds, after a European Banking Authority's stress test highlighted a €3.3bn capital shortfall.

After obtaining the support, the bank's management corrected the accounts to show that losses actually stemmed from three derivative trades set up between 2006 and 2009 amounting to more than €730mn.

MPS paid $11mn in a court settlement over the hidden losses in 2016. Thirteen former bankers were sentenced to jail in 2019 for allegedly colluding in the cover-up, before being acquitted on appeal in May this year.

The affair is still considered one of the biggest financial scandals in Italian history. Populist politicians presented it as damning evidence that the entire establishment was crooked.

The irony is that the Italian state was initially reluctant to get involved with its banks in the aftermath of the financial crisis. It opted not to intervene with public money to strengthen its banking system, then characterised by smaller lenders with substantial local networks and large retail lending activities.

At the time, EU rules did not prevent such interventions, but Italian government officials and regulators thought the move, in a country with very high public debt, would have been negative for financial markets. Officials also argued that, differently from many European peers, Italian banks did not hold "toxic assets" on their balance sheets.

"It was a grave mistake," says Codogno, who now heads London-based consultancy LC Macro Advisors. "Had Italy injected money in MPS at that time and taken control of it, we would not be in this situation now."

Following the financial crisis, the country experienced several local bank crises as non-performing loans surged and profit margins eroded. MPS handed out some €45bn in loans across the years that have never been repaid, and in 2014 the bank reported a record net loss of €5.4bn.

In 2015, four local banks in Italy were put into resolution and retail savers were wiped out. Luigino D'Angelo, a pensioner who died by suicide after losing a lifetime's savings in one of the bank's defaults, became the symbol of the social cost of the EU's new "bail-in" rules, where shareholders, depositors and bondholders can lose everything.

"The principles behind the EU bail-in rules are absolutely agreeable, but it was a mistake to fail to understand that in Italy's case you had a large part of the population exposed to the banks' debt," says Codogno.

"The rules should have been applied with some sort of differentiation across Europe, but whoever had to take these aspects into account, didn't," he adds.

Two years later, Banca Popolare di Vicenza and Veneto Banca, headquartered in the rich Veneto region, were declared insolvent. Bondholders and deposits were spared and some of their assets and liabilities were taken over by the country's largest lender, Intesa Sanpaolo, for a token payment of €1.

The collapse of the Veneto banks served as an alarm bell inside government about larger, systemic institutions. "Those were local banks, and the impact on the community, on public opinion, on the confidence in the country's banking system was devastating," says one former government minister. "Imagine what the impact of the resolution of MPS, the country's third largest one, a systemically important one, would have been."

Yet the state has little to show for the €20bn in state aid and private capital pumped into MPS across the past 15 years.

"All that money only served to repay loans and partially cover losses," says one of the former MPS executives. "Yes, branches were closed and the headcount was reduced but no profound restructuring plan was ever devised."

One last chance

That is set to change, say former government officials and former MPS executives. Luigi Lovaglio, a respected turnround specialist, was appointed in February by the government then led by Draghi to execute the capital increase and restructure the bank before selling it. Lovaglio, who formerly headed UniCredit's Polish unit, spent the summer visiting investors across Europe to illustrate his three-year plan for the bank, hoping to obtain their backing for the €900mn tranche intended for private investors.

At one point Italian asset manager Anima, which has an existing commercial partnership with MPS, told Lovaglio it would be willing to contribute up to €300mn in exchange for an improvement in the terms of their existing commercial agreement.

Under EU state aid rules, the government must participate at identical conditions to private investors, who cannot therefore be offered such incentives. Lovaglio insisted he would succeed in convincing other investors.

Those who met him in Milan and London said he assured them the outcome of the capital raise would be different from the previous six. This time, he told them, there was profit to be made.

Funds and asset managers did not believe it. They entirely snubbed the rights issue, which would have risked barring the state itself from contributing the €1.6bn it had committed.

To avoid running foul of state aid rules, Italy could only participate proportionally, by investing €1.78 for every €1 of private money.

By early October, the rights issue seemed in trouble. The pool of eight banks arranging the deal, including Bank of America, Mediobanca, Citibank and Credit Suisse, refused to guarantee they would mop up the unsold shares without seeing prior irrevocable commitments from third parties for at least part of the outstanding €900mn.

Anima, for its part, pulled its initial offer after talks with MPS over the commercial agreement ran dry.

Several bankers suggested that MPS explore other options to raise capital or, perhaps, delay the rights issue citing the complicated macro environment. But Lovaglio and the Treasury were determined to press on and made a last-ditch effort to find a way around the rejections.

'MPS will now be able to fund the reduction of staff costs by 20 per cent and it will make the most of its potential'
Luigi Lovaglio, Monte dei Paschi CEO

In the days before October 17, when MPS finally launched the rights issue, negotiations between the Tuscan lender's management, investment bankers and potential investors became tense, at times even frantic.

Finally, a workaround was reached. The group of banks arranging the deal, together with Milan-based asset manager Algebris, agreed to underwrite the full private investors' share in exchange for an extremely lucrative €125mn fee.

They had also found "first allocation investors" or sub-underwriters that committed to buy part of the leftover shares, also in exchange for a fee, in effect offloading part of the risk from the pool of banks. Many of these sub-underwriters had prior interests in MPS.

The largest was French insurer Axa, which has a commercial partnership with MPS. The insurer contributed €200mn, becoming the single largest contributor to the capital increase.

The Financial Times reported last month that in exchange for supporting the capital increase, the French insurer and MPS began re-discussing the terms of their existing partnership. In a statement, Axa said: "There has been no change in our relationship with MPS, no commitment, no amendment to our agreements."

In an earnings call last month, Lovaglio hailed a "new chapter" for the Italian lender. "MPS will now be able to fund the reduction of staff costs by 20 per cent and it will make the most of its potential, improving its financial results," he said. More than 4,000 staff applied for a voluntary exit scheme, which will be funded with €1bn from the capital increase.

Still, to some investors, the stench of cronyism surrounds the rights issue. One short seller even urged the European Central Bank to block the rights issue. Others made contact with Brussels officials to flag the violation of EU state aid rules.

Yet in spite of their complaints, the European Commission has stopped short of opening an investigation into MPS. Some onlookers fear a lack of response will undermine the existing banks' resolution rules, under which governments should not prop up failing banks at all costs.

But to some, the ends justify the means, especially if it means bringing the saga of MPS to something close to a resolution. The latest capital raise is definitely "a systemic operation rather than a market one," says Zanettin, the Forza Italia senator. "But it's fair that it ultimately goes through and MPS is finally privatised." Bail-ins, he points out, "can end up costing taxpayers even more".

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Has inflation reached its peak?

Price pressures may have topped out but central banks' job remains complex

At long last there are signs that global inflationary pressures may be peaking. Factory gate prices and shipping rates are easing. Food prices are cooling, and European natural gas prices have fallen sharply from August highs. With international supply chain snags and commodity price surges underpinning this year's inflation acceleration, headline numbers have fallen too. In the US, annual price growth has been falling since June, and last month eurozone inflation fell for the first time in 17 months. Though these are undeniably positive omens to close 2022, the task for central bankers will not become notably easier.

Central banks in the developed world have increased interest rates to curb demand and crush inflation with alacrity this year. They have had three criteria in mind for their raising cycle: how fast, how far and for how long. As inflation shows signs of hitting an apex, it makes sense for central banks to consider easing the pace, even if just to assess how inflation develops. After a series of mighty 75 basis points increases, US Federal Reserve chair Jay Powell alluded to potentially smaller rises ahead. The European Central Bank and Bank of England could follow suit. How high they should go altogether is the million-dollar question — or perhaps the $1.1mn question, adjusted for inflation.

Even if inflation is peaking, it is doing so near four-decade highs. Now is not the moment to be holding or cutting rates. Global pressures may be easing, but core inflation, which excludes energy and food prices, is still high — particularly services prices, which are influenced by wage growth. A higher cost of credit would restrain domestic demand pressures. Though inflation expectations have fallen and there have been some nascent signs that labour market tightness may soften, central banks are right to be wary about high prices persisting. The US jobs market remains red hot, with hiring and wages beating expectations last month.

Monetary policy theorists suggest that central banks need to raise rates above "neutral", beyond which they have a contractionary impact on the economy. Though estimates vary, and change with time, by some measures the BoE and Fed may already be there, with the ECB closing in. Even when this biting point is reached, how much higher to go and what level to stay at is complicated. It is difficult to know just how much possible recessions next year — stirred by high prices — will drain demand, just as the lagged effects of rate rises also pile on.

The higher interest rates go, the more central bankers will be wary of breaking things. Housing and financial markets have stomached rapid rises this year, and stresses are building. Numerous unknowns including developments in the Ukraine war and the possibility of a rebound in Chinese goods and energy demand next year, particularly if it does ease Covid-19 restrictions further, means plenty of upside inflation risks remain. With the Fed and BoE shedding their bond holdings, via "quantitative tightening", which the ECB is also mulling, it is also uncertain how changes in central bank balance sheets may impact inflation and financial stability.

> Though expectations have fallen and there have been some nascent signs that labour market tightness may soften, it is right to remain wary about high costs persisting

A potential peaking in price pressures is welcome, however, after a catalogue of bad inflation news in 2022. For now, it may be sensible for central bankers to lower the pace of their rates increases, while waiting for clearer evidence that domestic price pressures are cooling before levelling off. Being alert to global shocks will also be important. Getting the interest rate choreography right will not be simple. Though inflation may have peaked, one thing is for certain: it is far too soon to declare it beaten.

Opinion Northern Ireland

Neuralgia clashes again with exceptionalism

Troops guard barricades in Belfast in 1922 to prevent riots — Bettmann Archive/Getty

Philip Stephens

Anxieties can cascade through the generations. In Northern Ireland the insecurities of unionists have grown ever more acute with the passing of the decades.

This month marks the centenary of Irish statehood. The inauguration on December 6 1922 of the Irish Free State saw the unionist parliament in Belfast pledge enduring allegiance to the British crown of Ireland's six most northern counties. Partition between the Catholic, mainly nationalist south and Protestant, mainly unionist north was sealed.

The Stormont parliament was more than a bulwark against nationalist demands for a united Ireland. Unionist leaders wanted an insurance policy against British perfidy. Even as they proclaimed their "Britishness", they were unpersuaded they would be cherished in the UK.

> The DUP's insecurities are readily explicable, however it cannot escape political realities

A century later, the UK's post-Brexit dispute with Brussels about Northern Ireland's trading arrangements with the EU has stirred the same neuralgia. Rishi Sunak, the prime minister, wants to settle an argument that has badly soured relations with Brussels, damaged Britain's standing in Washington and paralysed power-sharing between unionists and nationalists in Belfast. The Democratic Unionist party claims that any compromise will be a "sellout".

Negotiations between London and Brussels about the Northern Ireland protocol have so far focused on practical obstacles to trade. The Brexit accord concluded by Boris Johnson's government in 2020 created, in effect, a border in the Irish Sea. The alternatives were for the UK to stay in the single market — rejected by Johnson — or to turn its back on the Good Friday peace agreement by creating a hard border between north and south in Ireland.

The European Commission is ready to scale back its monitoring of trade across the Irish Sea. The talk is of a system of unintrusive checks. The EU, however, will not upend the agreement's essential premise — that the single market must be protected from illicit traffic across Northern Ireland's open border with the Republic. To end the dispute, Sunak's government will have to abandon a threat to withdraw unilaterally from the accord.

The stance of the province's largest unionist party precludes any such compromise. It will not be satisfied even with an all-but-invisible border because its objections are constitutional rather than practical. By providing for the continued operation of EU rules in Northern Ireland, the protocol explicitly sets it apart from the rest of the UK. For the DUP this is a slippery slope to a united Ireland. Jeffrey Donaldson, the party's leader, says the Irish Sea border must be removed and Northern Ireland treated like England, Scotland and Wales.

Here unionism is fighting a battle it has already lost. As much as Donaldson would prefer otherwise, Northern Ireland's position in the UK is unique. That staunch unionist Margaret Thatcher proclaimed as much when the 1985 Anglo-Irish agreement set out a formal role for the Republic in the north's affairs. Dublin's role was ratified in the Downing Street declaration signed by her successor John Major and by the Good Friday peace agreement in 1998. On each occasion the government in London overruled DUP opposition.

Today's insecurities are readily explicable. In 1922, Northern Ireland's status was underpinned by a comfortable Protestant majority. With shifting demography, Catholics now marginally outnumber Protestants. The economically and socially backward Free State of 1922 was scarcely a draw. Today's Republic is a thriving liberal democracy. And yes, scratch beneath the surface and there is no great love of Northern Ireland among many MPs at Westminster.

The DUP, however, cannot escape political realities. For all its initial objections it eventually signed up to the power-sharing enshrined in the Good Friday Agreement. Its present veto on the creation of a new Belfast executive invites Sunak's government to suspend devolution and share more authority with the Republic. Northern Ireland, inescapably, is exceptional. In no other part of the UK does a sizeable proportion of citizens declare allegiance to another state. England, Scotland or Wales do not share a land border with a third country.

In 1922 Stormont was the property of one community. Now the future of Northern Ireland lies in the hands of all its citizens — Protestant, Catholic and secular alike. Unionists have a case to make for remaining in the UK. Opinion polls suggest nationalism is well short of a majority for Irish unity. But the DUP will not win the argument by pretending nothing has changed.

The writer is an FT contributing editor

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NHS must shed 'not invented here' syndrome

Hard questions do indeed need to be asked as to why the NHS has not adopted more innovations like those you highlighted at Addenbrooke's to cure the current crisis (Report, November 26).

As Sarah Neville's article says, many are "surprisingly simple and low cost", the "improvement . . . instant" and targets "hit immediately".

But it is easy to overlook the small word "only" in Neville's comment that most changes "have only called for a more flexible mindset among staff and a willingness to overcome normally rigid divisions".

Two decades ago, while an adviser at HM Treasury looking at the construction industry with similarly rigid divisions between different parts of the system and with similar opportunities for big improvements in productivity, I came across the "not invented here" syndrome.

This creates huge barriers to adopting ideas from other sources. My conclusion was that implementation of improvements created a deep seated personal fear that raised questions about staff's ability to respond adequately to a new regime and the risks to job security and financial reward. There will be some enthusiasts for change. Many will be passively unenthusiastic. Some will actively oppose. The answer has to be enlightened leadership from the very top. Without addressing these fears, change will not occur; as we have seen in the NHS over many years.

Geoffrey Wort
Stockbridge, Hampshire, UK

Bank regulator can't avoid issues of competitiveness

Sir John Vickers (Letters, December 7) and Martin Wolf (Opinion, December 3) — respectively, chair and member of the UK's Independent Commission on Banking — argue against giving financial regulators the secondary objective of advancing "the international competitiveness of the economy of the United Kingdom (including in particular the financial services sector)", as the proposed legislation defines it.

I disagree. Regulators have a primary objective to promote the safety and soundness of firms that they regulate and, importantly, the secondary objective is subordinate to this. Since the financial crisis enormous strides have been made to strengthen the resilience of financial firms and the overall system in which they operate. Banks' equity capital has more than doubled since before the crisis and in total large European banks hold €1.4tn of loss-absorbing capital, according to AFME's latest prudential report.

Resilience has been enhanced further through tougher supervision, improvements to banks' risk models, stress-testing exercises and rules to ensure the orderly wind-down of banks that fail.

Given the steps taken to underpin regulators' primary objective, it is entirely reasonable that they should have regard to the competitive implications of their rules. While banks play a vital role in economic life, their ability to continue to do so depends on remaining competitive to attract and remunerate the capital necessary to fulfil this key task.

Michael Lever
Former Head of Prudential Regulation Association for Financial Markets in Europe (AFME), London N20, UK

A story of how the UK fails its Mandarin scholars

In reference to Tim Clissold's letter ("Here's a solution for those pupils struggling with Mandarin", December 3) and Yuan Yang's article "If the UK is to understand Beijing, it must speak to it" (Opinion, November 19), I am an Oxford graduate in Chinese (Oriel College, Oriental Institute 1964-1967), have a PhD from the School of Oriental and African Studies in Chinese philosophy (London University, 2001), and am a fluent Mandarain speaker and writer. I have pursued a lifetime interest in China, its language, history and culture, working in the Far East for 20 years, then lecturing at conferences across the world, albeit not the UK, and authoring several books and translations including a bilingual translation of *Héguanzî, the Dao of Unity in the Birth of the Chinese Empire* (2022).

While often approached by alumni fundraisers from Oxford and Soas, I have yet to receive the slightest interest from either in my work or writings, despite donating my works to their libraries. When starting Chinese 60 years ago, I never dreamt I would find knowledge of China actually seeming to decrease in the UK over my lifetime. I live in hope that I may one day be invited to participate in a campaign actually to increase that UK's knowledge and awareness.

Marnix Wells
London CR0, UK

"I'D BEEN HOPING FOR MORE BIODIVERSITY"

Brown 'devo' plan answers the past, not the future

Gordon Brown's devolution report which includes scrapping the Lords and moving 50,000 civil servants out of London ("Labour eyes power transfer from Westminster", Report, December 6) was a sublime own goal.

It failed to create four national parliaments of equal powers with a Senate over the top. If failed to explain what specific powers the Senate would have. It failed to allow the four nations to decide their own political future. It was an answer to the past, not the future.

Derek Wyatt
Labour MP for Sittingbourne and Sheppey (1997-2010), Aldeburgh, Suffolk, UK

Analysis of census data missed one crucial point

John Burn-Murdoch writes persuasively about the "weaponisation" of census data ("Incendiary claims about UK census distort reality", Opinion, December 2).

I have to confess, I both read — in addition to reading the FT of course — and sometimes agree with, the commentators Burn-Murdoch so confidently dismisses. However, he does seem to omit one crucial point in his "data-driven" analysis, namely that the demographic changes themselves are shaping many of the shifts in response he highlights!

Roderick Wallace
London BR3, UK

'Respect and resources', an HR department's wishlist

Andrew Edgecliffe-Johnson is right to say that human resources departments are overwhelmed (Opinion, December 5). But this isn't about simply removing some "hollow perks". It's about finally treating the function with respect and giving it the resources it needs.

Over the past two years, HR has been the bedrock of UK businesses as they've navigated a period of crisis and change. The increasing number of roles that HR teams have had to perform — whether that's spearheading work-from-home policies, filling staff shortages, navigating furlough or putting in place engagement or diversity and inclusion initiatives (the list goes on) — demonstrates that companies are finally waking up to the importance of the HR function as the caretakers of their most crucial asset.

But HR is still hugely undervalued. Our recent research found that 27 per cent of HR teams were struggling with a lack of senior support, with over half concerned that their business did not place enough value on the HR function. And where it is undervalued, HR teams are more likely to be kept busy plugging fingers into gaps to stop the boat sinking. In short, a busy reactive HR team, but not one able to add much proactive or strategic value.

HR professionals can only support their businesses through yet another period of turbulence if the role finally gains the respect it deserves. And companies that see the function as a strategic partner will be the ones best placed to weather the storm ahead.

Pete Cooper
Director of People, Partners & Analytics Personio, London WC2, UK

Why Putin's war is 'polar opposite' of Israel situation

The letter by Clare Short which purports to equate Vladimir Putin's invasion of Ukraine with Israel's relationship to West Bank Palestinians is a libel against Israel ("Palestine double standards mock Nato Ukraine stance", Letters, December 6).

Putin launched an unprovoked military attack against Russia's neighbour Ukraine while Israel became an "occupier" of the West Bank and its Palestinian occupants as a result of its resistance to Arab aggression during the six day war in 1967.

Furthermore, Israel has tried on several occasions to give back the territories but has been thwarted by the refusal of Arab nations to comply with Israel's insistence that they recognise its right to exist as the national home of the Jewish people.

In one case we have an effort by Putin to conquer while in the other we have the polar opposite — that is Israel's efforts to resist aggression.

Harold J Smith
White Plains, NY, US

A misreading of the true choices facing Ukraine

Martin Wolf ("It is the west's duty to ensure Ukraine wins", Opinion, December 7) misrepresents the true strategic choices facing Ukraine and western governments.

He poses the issue as either winning or losing the war against Russia, without defining those terms and without assessing the pros and cons of alternative strategies and war aims.

There are four geopolitical issues on the table: Ukraine's sovereignty and security; Russia's vociferous and longstanding objections to Nato enlargement to Ukraine and Georgia; the disposition of Crimea, which has been home to Russia's Black Sea naval fleet since 1783; and the disposition of the Donbas.

Wolf may well support a maximalist position — Nato enlargement, Ukraine retaking Crimea, Russian retreat from Donbas without requiring Ukraine to implement the Minsk II agreement — but such maximalist war aims are likely to leave Ukraine in ruins, most of the non-western world siding with Russia, the European economy in tatters and the whole world threatened by nuclear escalation.

Instead, we should try to end the war in the nearest future through negotiation.

A key to a successful negotiation is to reject the flagrant irresponsibility of US neoconservatives who have been trying for much of three decades to encircle Russia in the Black Sea, and who have undermined Ukrainian leaders who would compromise with Russia.

Most consequentially, the US neocons helped to overthrow Ukrainian President Viktor Yanukovych in early 2014, who favoured Ukraine's neutrality, opposed Nato enlargement and agreed with Putin that Ukraine's EU accession process should take into consideration the security and economic implications for Russia.

Following Yanukovych's overthrow, the Russo-Ukraine conflict broke out and has been ongoing since, with Russia's annexation of Crimea, conflict in the Donbas, massive flows of US and other Nato armaments into Ukraine between 2014 and 2021, and Russia's invasion this year.

In 2021 Russian president Vladimir Putin once again demanded that Nato not expand to Ukraine; his US counterpart Joe Biden refused to negotiate on that critical issue, alas, and missed the chance to avert the devastating escalation of the war.

To truly "win" in Ukraine — and indeed to save Ukraine from the utter destruction of an ongoing proxy war between the US and Russia — the west needs historical perspective, not just anti-Russia bluster.

There are plenty of reasonable grounds for ending the war quickly and peacefully through negotiation instead of reducing Ukraine to rubble.

Jeffrey Sachs
Columbia University, New York, NY, US

If it's in the Book of Common Prayer, then . . .

Regarding the strictures of Fowler's *Modern English Usage* and Peter Rose's letter referring to the cartoon of two aristocrats suggesting that Lady Susan Hussey's unfortunate comment — "Where are you really from?" — is ungrammatical (December 5), I would just cite, in defence of Banx, the *Book of Common Prayer* of 1662: "I will lift up mine eyes to the hills: from whence cometh my help."

Peter Edwards
St Albans, Hertfordshire, UK

Opinion

We need an honest east-west discussion about industrial policy

ASIA
Yuan Yang

In the 1970s my grandfather, an electrical engineer in China, received an unusual job offer: would he be willing to move from his city to the foothills of a remote Buddhist mountain, a half-day's truck ride away, to contribute to an enterprise of national importance?

What clinched the deal was that my grandmother would also be given a good state job, and my mother, uncle and aunt would go to schools specially built for the children of the enterprise. And so my family became part of the first Chinese industrial policy push to create a domestic semiconductor sector.

Fifty years later, the US and EU have made a new foray into semiconductor industrial policy with the US Chips and Science Act, and the EU Chips Act. But in the intervening decades, industrial policy never went away. Western and eastern governments have used a range of tools to structure economic production and to nurture technological innovation. The failures are mostly forgotten, while the successes have been so paradigm-changing that it is easy to overlook their origins.

In the east, Taiwan made its foray into semiconductors by funding research institutes and spurring the acquisition of foreign technology. The most successful outcome was TSMC, the world's chipmaking titan whose annual research and development budget rivals those of Europe's wealthiest governments. In the west, the US funded defence research and spurred countless innovations from its Apollo programme, while Germany helped its car champion Volkswagen with regional government subsidies and equity investment.

What has changed is the volume of the industrial policy discussion, and its perceived urgency by the west. In China and Taiwan, it was always a priority: the consequence of the need to survive in an industrialised world with much richer foes. Technological catch-up was a necessity for successful nation-building. My grandparents and their fellow workers were proud to have been selected for a mission: "to build from scratch the 64" (referring to 64 important raw materials, including silicon).

In the developed west, industrial policy pushes have come not as a grand crescendo towards modernisation, but

> America has accused China of creating an uneven playing field, helpfully forgetting its own history

in loud and quiet cycles, peaking during periods when one power is afraid of losing out to the others. The US space race against Soviet Russia is a prime example, as well as American consternation over Japan's ascendancies in the 1980s.

Now that we are back in a period of global order-shaking, the discussion is back on loud. Western fear over China's rise, and concerns over supply-chain security after pandemic shortages, all spurred the EU and US chips policies.

As a result, western governments are abandoning their taboos around talking about industrial policy, or orientalising it as only fit for east Asia. The economist Dani Rodrik said the US chips act was significant for being "a sign that we have moved beyond market fundamentalism and because it shows there is now bipartisan support for industrial policies".

Hopefully this means we can start to have a more honest global discussion about the existence and role of such policies. By no means do they all succeed, but they have been necessary for the success of the east Asian "tigers". Even while developed governments practised industrial policy, the World Bank warned developing nations off doing the same thing. The US has long accused China of creating an uneven playing field for foreign firms, helpfully forgetting its own 20th-century history.

Now Korean officials and Taiwanese chipmakers are criticising the US for its attempt at industrial policies that they embarked on two generations ago. And why wouldn't they? As Ha-Joon Chang, professor of economics at Soas, puts it, the technological leader benefits from "kicking away the ladder".

My grandparents' factory, which was co-located with China's first semiconductor material research institute, sat at the start of the chipmaking process: refining crystalline silicon, the material from which chips are made. Today's policies are concerned with the sexier ends of the supply chain: the EU wants cutting-edge chip design and fabrication.

The EU and US now face the problem of creating institutional capacity to strategically target funding and to hold accountable those who receive it. Political economist Doug Fuller, who studies Taiwanese and Korean semiconductor policies, points to the build-up of policymaking capacity in those countries.

But deriders of European ambition should not cast judgment too early. Two generations after my grandparents' factory was built, China now produces more than 80 per cent of the world's solar panels, aided by its dominance in crystalline silicon.

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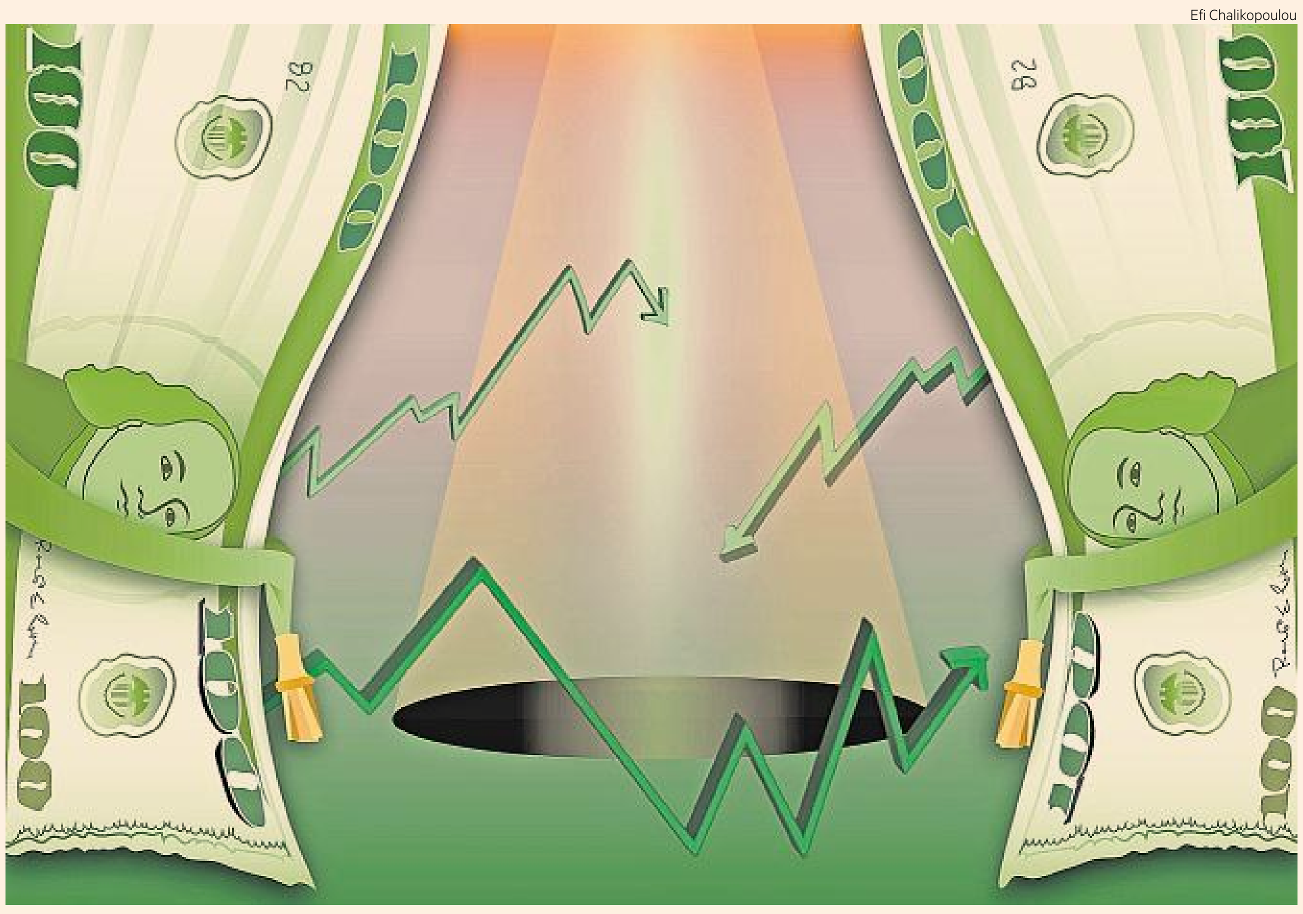
Shed some light on dollar swaps black hole

Efi Chalikopoulou



FINANCE
Gillian Tett

Does it matter if you lose track of $80tn? That is a question that global regulators urgently need to ponder, according to the Bank for International Settlements.

The BIS's economists have recently delved into the entrails of the bank's foreign exchange survey to track the trend in dollar swaps — the derivatives deals that enable investors to exchange dollars for other currencies, for a specific period, before swapping these back.

A layperson might assume this is a transparent corner of finance, given that the dollar underpins so much of the global industry and these swaps are used by most large companies and investment groups.

Not so. As the latest BIS quarterly report notes, forward dollar payment obligations "do not appear on balance sheets and are missing in standard debt statistics", because they are not classified as a "loan" in accounting systems. They are off-balance sheet — in other words, a black hole.

And that hole is astonishingly big. The BIS detective work suggests that there are "$80tn-plus" in outstanding obligations to pay US dollars in FX swaps — or forwards — and currency swaps. This has doubled in the past decade, with a $5tn churn each day.

Some $39tn of this involve non-American banks, and another $26tn non-American, non-bank entities such as hedge funds and insurance companies. Moreover, the non-bank category has grown rapidly, dwarfing on-balance sheet risks, and is often associated with maturity mismatches.

Thankfully, there is no sign of current stress. But history shows that FX swaps markets are "vulnerable to funding squeezes", the BIS notes. This is because when shocks hit, investors worry about how to repay these dollar obligations, creating wild price gyrations.

And while the Federal Reserve has quelled panic in the past by letting other central banks supply dollars, the black hole means that the dollar swaps market was "backstopped in 2008 and 2020 by central banks acting on little information about who owed the debt". The BIS is now (quite sensibly) begging central bankers to plug the data gap.

I hope the Fed and others will heed the call. Regulators have already created a data hub for globally systemic banks, which tracks some of these flows. But policymakers should not stop there. One dirty secret of global finance is that this $80tn black hole is far from being the only place where we need more sunlight.

The sphere of private credit is also startling murky. So is the behaviour of the Chinese credit cycle; as a new paper from the Fed notes. This matters because Chinese credit conditions have big spillover implications for global asset markets, including the dollar-based one.

But another area of surprising data fog is Treasuries which (like dollar swaps) underpin so much of the financial system. During the dramatic market turmoil of 2020, it became clear that secondary market trading structures have big vulnerabilities that were not understood — or reported — before. And while the Securities and Exchange Commission and US Treasury is trying to fix this, progress is slow.

The primary market, meanwhile, has its own transparency problems, as the economists Alexandra M. Tabova and Francis E. Warnock have recently

> Another area of surprising data fog is Treasuries, which underpin so much of the financial system

argued. Public data shows overall bids in bond auctions and the broad patterns of foreign purchases. But it does not reveal which buyers are buying which bonds, or their price sensitivity.

This matters, they argue, given the US government's $18tn negative foreign asset position. It needs to know "which investors will step in and buy Treasuries" against the looming spectre of higher Treasury yields while at the same time, the Federal Reserve is reducing its Treasury portfolio.

Tabova and Warnock have scoured private data sources and concluded that while non-Americans own around half of all Treasuries, their behaviour is poorly understood. To cite one example: while official statistics claim that foreign private investors were buying $3.5tn more Treasuries each year than foreign governments between 2005 and 2019, they think the latter actually bought $1tn more than the former. That is important, since foreign government purchases have recently slowed, and they have acted in a strikingly "price inelastic way" before, with much shorter portfolio durations than private investors.

The good news is that the digitisation of private data is making it easier than ever to do this type of detective work. Better still, after the 2008 global financial crisis, the US Treasury created the Office of Financial Research, which is supposed to take a holistic view of markets.

But the bad news is that OFR has faced calls to cut its budget, and it cannot hope to get better data on dollar swaps or Treasuries without help from central banks.

So let us hope that the American government (among others) treats the revelations about this $80tn black hole as a wake-up call. After all, if there was ever a moment when central bankers needed to understand the real vulnerabilities arising from dollar-linked debt, it is when the world faces geopolitical risks, economic pain and political challenges to the supremacy of the dollar. That is precisely what 2023 could bring.

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ChatGPT is less wowed by itself than we are

TECHNOLOGY
John Thornhill

What are we to make of ChatGPT, the latest iteration of "generative artificial intelligence" that is electrifying the tech world? Although it was only released by the San Francisco-based research company OpenAI last week, more than 1mn users have already experimented with the chatbot that can be prompted to churn out reams of plausible text at startling speed.

Enthusiastic users have been predicting ChatGPT will revolutionise content creation, software production, digital assistants and search engines and may even transform the digital substructure of human knowledge. One tweeted that ChatGPT's significance was comparable to the splitting of the atom.

Such wild rhetoric makes some computer scientists rip their hair out, as they argue ChatGPT is nothing more than a sophisticated machine-learning system that may be incredibly good at pattern recognition and replication but exhibits no glimmerings of intelligence. Besides, ChatGPT is not even new technology. It is a tweaked version of GPT-3, a so-called large language, or foundation, model released by OpenAI in 2020, optimised for dialogue with human guidance and opened up to more users.

Intriguingly, ChatGPT itself appears a lot less wowed by its own capabilities. When I prompted it to identify its flaws, ChatGPT listed limited understanding of context, lack of common sense, biased training data and potential for misuse, by spreading misinformation to manipulate financial markets, for example. "While ChatGPT is a powerful and impressive technology, it is not without its limitations and potential flaws," it replied. One researcher is more blunt. "It hallucinates facts," he says.

While most of the public interest in ChatGPT focuses on its ability to generate text, its biggest business and societal impact may come from its corresponding ability to interpret it. These models are now empowering semantic search engines, promising far more personalised and relevant content to users.

Whereas traditional search engines serve results according to the number and quality of links to a page — assumed to be a proxy for importance — semantic search engines scour the relevance of its

> Focus has been on the AI's ability to generate text, but the impact may come from its ability to interpret it

content. Google is developing its powerful LaMDA foundation model, while Microsoft, which runs the Bing search engine, has invested heavily in OpenAI.

The ways in which foundation models can be used to interpret and generate content at scale has been demonstrated by a team at McGill University. They used an earlier GPT-2 model to read 5,000 articles on the pandemic by the Canadian Broadcasting Corporation and prompted it to generate "counterfactual journalism" about the crisis.

The GPT-2 model's coverage was more alarming, emphasising the biological and medical aspects of the pandemic, whereas the original, human journalism focused more on personalities and geopolitics and injected a "rally-round-the-flag" element of forced positivity. "We are using AI to highlight human biases," says Andrew Piper, who led the McGill research project. "We are using simulation to understand reality."

But by injecting unspecified human inputs into ChatGPT, OpenAI is adding a new dimension of controversy. Sensibly enough, OpenAI has added guardrails to try to prevent ChatGPT from generating toxic or dangerous content. So, for example, ChatGPT refused to tell me how to build a nuclear bomb.

Such guardrails are essential to prevent foundation models being abused, but who decides how these safeguards are designed and operate, asks Percy Liang, director of Stanford University's Center for Research on Foundation Models. These models can be incredibly useful for scientific and medical research and automating tedious tasks. "But they can also wreck the information ecosystem," he says.

The contours of the debate between paternalistic and libertarian AI are emerging fast. Should such models be controlled or "democratised"? "The level of censorship pressure that's coming for AI and the resulting backlash will define the next century of civilisation," tweeted Marc Andreessen, the tech entrepreneur and investor.

Andreessen may be overstating his case, but it is undoubtedly true that foundation models will increasingly shape the ways we see, access, generate and interpret online content. We must scrutinise who runs these new digital portals to human knowledge and how they are used. But it is doubtful whether anyone outside the companies that are pioneering this technology can truly understand, still less shape, its spookily fast evolution.

The writer is founder of Sifted, an FT-backed media company covering European start-ups

Republicans are wrong to oppose IRS funding boost

Alexander Boyle

US president Joe Biden's introduction of additional funding for the Internal Revenue Service (IRS) has been demonised by Republican leaders in the House of Representatives and Senate. But their reasoning is flawed to the point of being reprehensible. Here's why.

The IRS has been systematically cut back for 15 to 20 years despite having ever growing numbers of increasingly complex tax returns to process. Congress has also substantially increased the load on the agency's staff, such as distributing tens of millions of cheques for Covid relief funds and processing refundable child care tax credit payments.

As a result, the agency is near breaking point. It is unable to process tax returns in a timely way, or provide acceptable levels of service to the taxpayer and it is falling woefully short in enforcing tax laws.

The result — according to very detailed and well documented studies by the IRS — is that tax cheating has reached a level of $600bn per year and growing. Unless action is taken, it is reasonable to expect that as much as $7tn in tax revenue, which is legally due over the next 10 years, will go unpaid.

The IRS studies further have analysed how and where the cheating is occurring. It is emphatically not among the vast majority of taxpayers who receive a regular pay cheque, an interest or dividend payment, or even the proceeds from the sale of securities.

Rather it is occurring with upper income taxpayers, usually businesses

> The agency is near breaking point and falling woefully short in enforcing tax laws

designed specifically as "partnerships" and which receive income that is not reported to the government. Over 50 per cent of this "opaque" income goes unreported and therefore untaxed, according to IRS studies.

To deal with this enormous challenge, the Biden administration has secured an additional $80bn in funding (an annual increase of about 7 per cent above the level of inflation) over the next decade. This will pay for as many as 87,000 new employees and help upgrade the IRS's woefully antiquated technology to 21st-century standards.

First, the 87,000 number is the one that has caused most consternation among Republicans, but they seem not to have noticed that this is a target for the next 10 years.

Second, the IRS has 25,000 to 30,000 fewer employees today than it had 25 years ago, when it had a much smaller workload. Third, it is expected that up to half of its current staff (78,000) will leave in the next decade, so 35,000 to 40,000 employees will need to be hired just to replace planned retirements and turnover.

Most of the remaining hires will be customer service representatives trained to answer the telephone and respond to taxpayer questions. The number of "Revenue Agents" skilled in the challenging work of examining and auditing tax returns is expected to be approximately 17,000 by 2031, barely more than the 15,000 revenue agents employed in the 1990s.

To suggest that the recently-passed legislation proposes to suddenly send 87,000 gun toting agents into homes and places of work, as Republican senator Chuck Grassley suggested, is the height of irresponsibility. He and his fellow opponents of the proposal Kevin McCarthy, Lindsey Graham and Rick Scott need to stop this shameless dissembling. The added funding for the IRS amounts to just over 1 per cent of the amount lost to cheating.

Strengthening the IRS presents an enormous opportunity to enhance tax revenue and reduce our deficits. Equally important is the contribution to tax fairness, because collecting taxes that are owed by upper income taxpayers ultimately lowers the burden on those already paying what they owe.

Tax cheating is a law and order issue. Failing to take aggressive corrective action amounts to condoning criminal conduct. It's just that simple.

The writer is a former vice-chairman of Chevy Chase Bank

Lex.

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BT/UK pensions: goodbye LDI

Hedges are designed to reduce risk. For some UK pension schemes, however, such efforts have had the opposite effect. Unwinding those strategies is a process that could cost shareholders.

This week, BT Group's pension scheme provided written testimony to MPs explaining that it would take a more cautious view on using now unpopular liability-driven investments for hedging. That could mean more cash contributions are needed. Other defined benefit (DB) pension plans are likely to be discussing similar moves.

For years, DB plans like the BT Pension Scheme have attempted to hedge against low interest rates. Low rates reduce the discount rates used to determine the present worth of future payouts to beneficiaries. They also lift the present value of assets required to match those liabilities. That is bad news for schemes in deficit. LDI strategies provided a means of hedging the risk of rising deficits.

Now, however, they are being blamed as a source of hidden leverage. Soaring gilt yield volatility after the proposal of unfunded tax cuts from former UK prime minister Liz Truss's government left some schemes in need of more liquidity. Packaging specialist DS Smith admitted yesterday that it provided £100mn to its DB pension.

DB schemes have fallen out of favour in recent years and are largely closed to new members. But even in the private pension market they remain sizeable. The DB pension scheme sector is some £1.5tn, says David Fogarty of Dalriada Trustees, a consultancy. LDI products still have their defenders. BT's pension scheme believes that without using this hedging strategy, its own deficit would have doubled from £8bn to almost £15bn from 2012 to 2020.

But every crisis tends to be followed by an equal and opposite regulatory reaction. The Financial Conduct Authority admitted to not testing for the specific scenario that occurred. The Pensions Regulator said it lacked data on the use of leverage. Expect more investigations and regulation to follow. That suggests DB schemes may have to hold more risk-free capital buffers.

More buffers are likely to mean less hedging, particularly using leveraged derivatives. It could also mean there is less capital available for growth assets.

Investment return assumptions may fall. Investors need to consider how many corporate sponsors may be underestimating deficits in their DB pension schemes.

Unilever: iced out

A trip to the ice-cream parlour can leave consumers overwhelmed by the variety of flavours on offer. Unilever seems keen to opt out of the paradox of choice. The consumer-goods company is reported to be considering a sale of certain ice-cream brands.

A slimmer, higher performing business will probably be welcomed by whoever takes over from outgoing chief executive Alan Jope. Ice-cream is the smallest of Unilever's units, with turnover of €7bn in 2021. Performance varies. Three of the company's ice cream brands have sales of over €1bn. In an analyst presentation yesterday, Unilever said that it would focus on "big brands", such as Ben & Jerry's and Magnum. Smaller brands are notable by their absence.

Unilever has not been shy to remove assets that fail to meet expectations in the past. Its decision to end its decades-old dual-listing structure makes it easier to dispose of assets quickly. Last November it unloaded its tea business to CVC Partners.

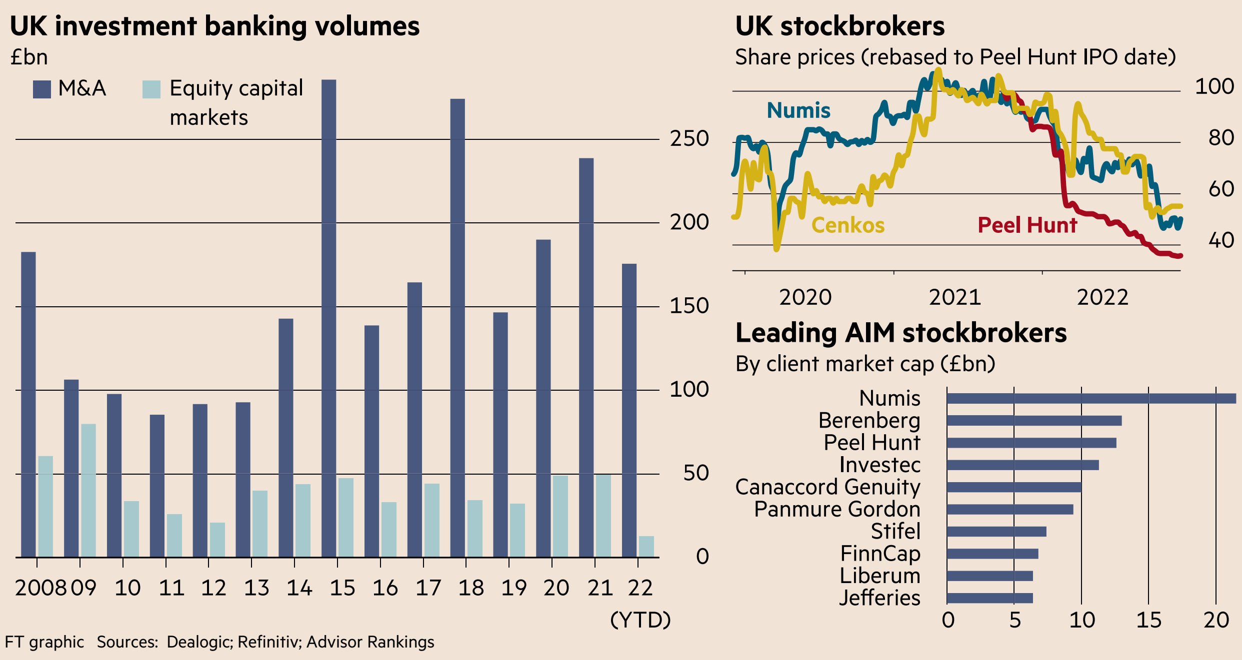
More of these measures are required to revitalise a business that has stagnated in recent years. Unilever is currently trading at 18 times expected earnings, according to data from S&P Global. While shares have recovered somewhat from Jope's ill-fated effort to acquire GSK's spinout Haleon, they are down about 1 per cent over the past five years. Compare that with Procter & Gamble, which trades at close to 26 times forecast earnings. Its share price has risen 66 per cent over the same period.

Unilever investors can take heart that P&G's turnround reflects activist Nelson Peltz's playbook during his time on the board. This year, Peltz joined the board of Unilever.

Restructuring will not solve all of the challenges facing Jope's successor. An internal fight with Ben & Jerry's over the sale of products in the occupied Palestinian territories rumbles on. But a diet plan that cuts down on unnecessary treats is the right way to bolster Unilever's strength.

Numis/Peel Hunt: broker dreams

Shares in British stockbrokers have declined as equity market activity plummeted to multi-decade lows in 2022. Large Aim-listed broker Numis is betting on diversification to minimise the impact of the slowdown.



FT graphic Sources: Dealogic; Refinitiv; Advisor Rankings

Stockbrokers in the UK can be forgiven for feeling uneasy when contemplating the year of dealmaking ahead in 2023.

At City outfit Numis, a one-third decline in revenues in the 12 months to September 30 is striking. Yet in the context of sparse equity financings, that decline could have been even worse. The broker's claim that it is successfully diversifying its business deserves attention.

The London market is very frosty right now. Equity capital deals are at their lowest level in a decade. Rising interest rates and geopolitical uncertainty have put a stop to new investment. Balance sheets at many UK groups are full of cash raised in the frenzy of the past two years. Add this to the waning pull of London as a global listing location and it is little wonder that brokers are feeling down.

Reflecting the chill, Numis shares have halved from last year's peak. They now trade close to the decade lows experienced at the start of the Covid-19 pandemic.

On the bright side, at least that performance beats rival Peel Hunt, whose shares have lost almost two-thirds of their value over the same period. Last week, the smaller broker said that its half-year revenues were down 40 per cent.

Numis is aided by its lower reliance on UK company financing. A new EU office will complement the existing, albeit small, geographic spread in the US. A bigger slice of advisory revenues, up 26 per cent last year, helps too. Numis is also making good progress on private company financing. It has completed $1.1bn of deals this year.

Uncertainty remains the group's biggest hurdle. Interest rate risk has made debt pricing more difficult, stifling many financing activities.

But the path of rate rises is growing clearer. Memories of the UK's chaotic "mini" Budget and accompanying market volatility are also fading into the past.

Numis also points out that a higher cost of capital for debt should make equity financing more attractive over time. This should provide support for shares in mid-cap brokers — even if the London market continues to disappoint.

Thailand/Tesla: pick-up lines

Tesla's entry into Thailand is perfectly timed. The south-east Asian country is on the cusp of becoming a new source of growth for both the US electric-car maker and its global peers. Toyota's decades-long dominance over the local vehicle market is nearing an end.

Model 3 and Model Y vehicles are available to local buyers. Prices start at an unexpectedly low Bt1.75mn ($50,300). Chinese rival BYD has already started selling vehicles in the country and is building a production plant there, its first outside China.

Both moves come ahead of the peak car-shopping season at the end of the year. High fuel prices should give electric-car sales a fresh boost this year.

Thailand is already south-east Asia's second-largest auto market. The industry accounts for about 12 per cent of its economy.

Until now, however, auto sales have been dominated by pick-up trucks, which account for more than 40 per cent of new vehicle sales.

Toyota models make up a third of all vehicles in the country. This is not because of brand loyalty or particular love for trucks. Thailand's excise tax on pick-up trucks is as low as 3 per cent. For passenger cars, it ranges as high as 50 per cent. There are also tax breaks for companies that make 40 per cent of car parts locally. Toyota's production lines in Thailand have given it an advantage over rival sellers.

But Toyota's slow rollout of electric cars has left a gap for new entrants to fill. Unlike in China, South Korea and Japan, there is little local EV competition either.

Only one local carmaker, Thai Rung Union Car, specialises in assembly and automotive parts while making its own Thai Rung brand car.

Expect more companies to move production to Thailand to take advantage of tax breaks. That should boost related local stocks, particularly parts makers such as Thai Stanley Electric and Aapico Hitech.

Tesla's move is about to supercharge the market.

ExxonMobil: pumping cash

Big Oil companies gush profits as readily as Wall Street gushes affection for their shares. At the White House a different sentiment prevails. President Joe Biden has threatened to impose a windfall tax on major oil companies unless they increase output.

ExxonMobil's latest payout plan will do little to defuse tensions. The US oil producer intends to expand its share buyback plan for a second time this year. It will spend $50bn from this year to 2024. That is an annual rise of 11 per cent from the current programme, one that was announced only in April.

Biden's case for a windfall tax — variations of which are already in place in the EU and the UK — may seem straightforward. In the wake of Russia's invasion of Ukraine, sky-high oil prices have allowed integrated oil companies to profit from helpless consumers. Exxon is expected to earn a record $59.4bn in net income this year.

Yet Big Oil has good reasons to resist pressure to rush into new drilling projects and focus on shareholder returns. The boom-to-bust nature of the energy industry means high oil prices come and go. Oil majors such as Exxon lost tens of billions of dollars in 2020 when oil prices collapsed during the coronavirus pandemic. Many smaller producers went bankrupt.

Increased share buybacks will placate investors who might object to Exxon's plans to boost capex just as crude prices are retreating. Exxon plans to spend between $23bn and $25bn on energy projects next year, up from about $22bn this year.

The company may well hope that steadily falling petrol prices help to distract politicians. The national average cost for a gallon of regular unleaded petrol, currently $3.33 according to AAA, is down 12 per cent from a month ago and a third lower than the record $5.02 in June.

Even if crude prices just hold steady from today, the chance of another embarrassing largesse will fade next year. Further calls for windfall taxes should fade along with it.

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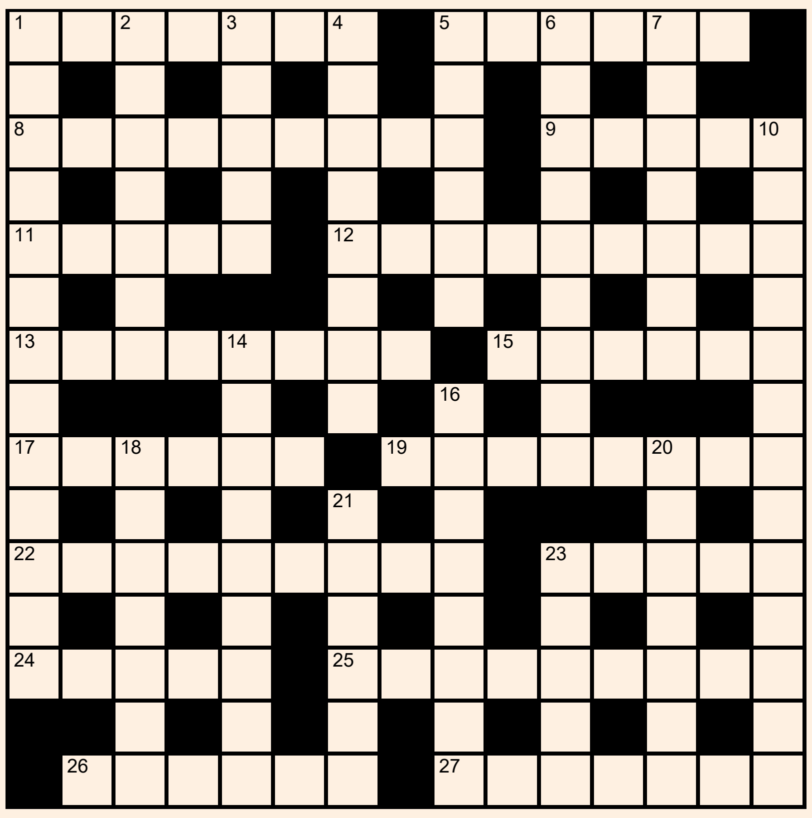
No 17,273 Set by JULIUS



ACROSS

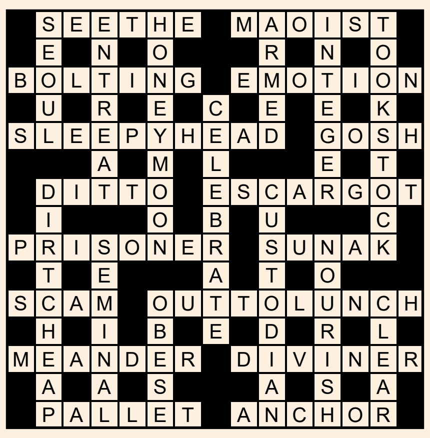
1 Wizard's revolting green strand of hair (7)
5 Bugs possibly to produce plenty of gas? (6)
8 Stolen property handler's number? I didn't mean to be rude ... (2,7)
9 Children eat ham sandwiches down below (5)
11 Conclude Fleming's doctor must leave wildfire (5)
12 A Vulcan mutant crushing universal resistance (but kindly) (9)
13 Discuss business, speak terribly posh (4,4)
15 Elected politician unfortunately lied about depression (6)
17 Cafeteria looking more tidy having cleared away New Year (6)
19 US city as soon as possible sent back unruly Dane (8)
22 One gets battered ... leg, groin in torment (5,4)
23 Say "Liverpool suburb" out loud (5)
24 Contemptible person arresting German philosopher (5)
25 Threaten to restrict UN children's hospital meal time (5,4)
26 Believe the King turned tide (6)
27 Mount small ring inlaid with iron (3,4)

DOWN

1 Whoopee! Ninth out, India's opener, caught Milne - put that in the book! (6-3-4)
2 Plenty of people get married in 5dn I gather (7)
3 Present chest when going topless (5)
4 Jumper made in Australia having a pocket at the front (8)
5 Sorry-looking 4 got stuffed by the sound of it (6)
6 Bravo mate, netting one in Dresden? (4,5)
7 Panicking, getting awful pain touring Florida (2,1,4)
10 Fish tart, just a little bit, as ordered by 1dn? (5-8)
14 Having showered Kelvin in Pilsner when drunk, departs (9)
16 Sun-bronzed chap's touching lines? (8)
18 Set off, run into 1dn's friend (7)
20 Monstrosity in France? Yes (or England) (7)
21 Its meat occasionally sampled in spring, al dente? (6)
23 US stockbroker Charles's clipped vowel sound (5)

JOTTER PAD

Solution 17,272



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